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EDITORIAL

KENNEDY AND THE SHAH

The timing might be questioned, but certainly not the truth of Senator Edward Kennedy's observation that "our firm national commitment to the safe release of the hostages does not and cannot mean that this nation must condone the Shah and the record of his regime." The Administration's charge that Kennedy showed bad judgment in raising the issue when national unity is required is, however, one of the more cynical developments of the political season.

Kennedy made it quite clear that he fully supported President Carter's goal of the release of the hostages with no conditions attached. His comments on the Shah of Iran, in the absence of White House disavowals, would have been chiefly notable as sentiments the Administration itself should have voiced before, and could have voiced after, the hostages were taken. By calling Kennedy's comments "counterproductive" the Administration falsely presents the country as divided on the hostage issue. Furthermore, the Administration is painting itself into a corner where it will be more difficult to tell the Iranians the one thing (short of promising to send the Shah back) that they want to hear; namely, that the American people are aware of the torture, degradation and plunder visited on Iran by the Shah. Surely the White House could have allowed Senator Kennedy to reply to suggestions by Ronald Reagan and others that the Shah be granted permanent asylum here.

This does not mean that the Shah's record should be judged before a kangaroo court in Iran, or that we have the ability to prevent the ultimate tragedy that may be unfolding in Teheran; but so long as the communication lines with the Iranians are open, the President ought to acknowledge that only the hostages are protected by diplomatic immunity—not the record of the Shah's crimes.

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'DON GIOVANNI'
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Jane Holtz Kay

CLEAR AS KRISTOL

BUSINESS'S 'NEW CLASS' STRUGGLE

DAVID VOGEL

Since the early 1970s, businessmen in the United States have become persuaded that ideas have political consequences. A number of neoconservative intellectuals have helped convince many corporate executives that the future of American capitalism is dependent on the attitudes and beliefs of a "new class" of upper-middle-class professionals. As a result, corporate executives are now engaged in an unprecedented effort to influence the social values of the nation's highly educated citizenry.

Businessmen have been haunted by the lack of public confidence in their leadership ever since public opinion polls began to report a decline in public approval of "Big Business" during the mid-1960s. Believing that elected officials care only about pandering to the public's whim, they found the substantial legislative gains of the consumer and environmental movements during the late 1960s and early 1970s very puzzling. The performance of the economy during the second half of the 1960s was, if anything, superior to that of most of the postwar period. So why had the public suddenly become so receptive to public policies critical of business?

Inspired in part by the rhetoric of Richard Nixon and Spiro Agnew, most corporate executives initially blamed this lack of public support on the liberal biases of two institutions: the media and the universities. At a series of private conferences of corporate chief executive officers that I attended in 1974 and 1975, all but a handful of the participants were firmly convinced that public disapproval of their performance was based on nothing more than misunderstanding.

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LETTERS.

ONLY THE ILLEGAL

Wilmington, N.C.

I find it very disturbing that in your editorial "Iranian Students" [*The Nation*, Dec. 1] you did not mention even once that the review by the Immigration and Naturalization Service of the status of Iranian student aliens was undertaken to see if any were in this country *illegally*, in which case they should have been deported long ago. Such a news slant casts doubt on the rest of the articles in your magazine. *Ulf Hellslin*

Law enforcement directed against those of a particular race, religion or national origin is obnoxious even when it turns up proof of illegality. Suppose the Internal Revenue Service targeted all Jews for audits and prosecuted only those found to have cheated on their taxes. That's the sort of thing we objected to in President Carter's directive to screen all Iranian students. *—The Editors*

OIL CLARIFICATIONS

Washington

Fred J. Cook's article entitled "Heating Oil Goes Through the Roof" [*The Nation*, Oct. 20] quoted former Deputy Energy Secretary John O'Leary as having testified on September 5 that the Department of Energy has "strong though not conclusive evidence" that price boosts at the refineries are a major cause of rising heating oil prices.

Since then, there has been additional Government testimony which clarifies the picture.

On October 22, C. William Fischer, Acting Assistant Secretary for Policy and Evaluation, U.S. Department of Energy, presented the following testimony to the Senate Energy and Natural Resources Subcommittee on Energy Regulation:

> In summary, we find that heating oil prices currently reflect the marginal cost of production, which has been driven upward by the increasing volume of spot market crude oil purchases. Any uniform ceiling price set below the current price would therefore reduce production to some degree.
>
> Reimposition of DOE's previous price control system could reduce the average refinery gate price by 2 to 3 cents per gallon, and would create pressure for an allocation program to minimize the wide range in selling prices that would result. Neither of these control mechanisms is necessary, and both would be counterproductive in the effort to assure adequate heating oil supplies this winter.

Fischer added: "There is no way that the Government can prevent the crude oil and other cost increases which have taken place in the last six months. The Government's most pressing concern now should be to aid those who most need help in meeting higher energy costs and to assure adequate supply."

We feel that this testimony is an important contribution to the debate on heating oil prices, and would be grateful if you could publish it. *Harry H. Hardy*
Public Relations Director
American Petroleum Institute

Interlaken, N.J.

I am always amazed at the effrontery of the American Petroleum Institute and its handmaidens in the industry-infiltrated Department of Energy. Since Mr. Hardy wrote his letter, the picture has, indeed, been "clarified."

Within twenty-four hours after President Carter announced we would buy no more Iranian oil, the major oil companies servicing New Jersey, acting in concert, jumped the price of home-heating oil another 3 cents a gallon. The media had been telling us, of course, that the Iranian cutoff, while it might not create shortages, would mean higher prices in the months ahead; but the industry could not wait for the "months ahead"—it had to jack up home-heating oil prices *at once.*

I am not impressed by A.P.I.'s citing William Fischer's testimony. It is worthless. D.O.E. has contended for years that it was faithfully "monitoring" home-heating oil prices, yet in the last D.O.E. hearing in September it virtually abandoned the pretense that it is doing such "monitoring." So how in hell can it know?

The fact remains and is irrefutable: every major oil company in the nation has stonewalled state energy commissioners, Congressional committees and D.O.E. itself when challenged to put on the record its cost and refinery prices. The A.P.I. itself boycotted the hearings held last year by D.O.E. hearing examiner Melvin Goldstein and failed to present any evidence to justify heating oil prices or to refute charges that they represented a monstrous, multibillion-dollar rip-off. Now it seeks to pull the wool over the eyes of the American consumer by a bland, meaningless statement devoid of a shred of factual evidence. Arrogance, thy name is Big Oil. *Fred J. Cook*

WORKER CENSORSHIP

Menlo Park, Calif.

While much of Prof. Andrew Zimbalist's article ["Worker Control Over Technology," *The Nation*, Nov. 17] dealing with the safety and quality of the work environment is well taken, I am troubled by his apparent approval of worker censorship of technology.

If a corporation used its market power or political influence to suppress a new technology in order to preserve or expand its profits, we would be outraged. Is this not what a labor union does when it uses its power to suppress a new technology in order to preserve the high-paid jobs of its members?

There is an important moral dimension in worker issues and it is important that it not be compromised by apologetics for the more reprehensible practices of trade unions. *Davis E. Keeler*

CORRECTION

Because of errors in transmission, the Henry Kissinger quotation cited in Sigmund Diamond's article, "Kissinger and the F.B.I.," in the Nov. 10 *Nation* was incorrectly attributed to chapter seven of Kissinger's book, *White House Years*. The quote actually appears in chapter eight and the relevant portion should have read: "The conviction that press leaks of military operations were needlessly jeopardizing American lives, which I shared, caused the President to consult the Attorney General and the Director of the FBI about remedial measures. J. Edgar Hoover recommended wiretaps . . . The Attorney General affirmed their legality. Nixon ordered them carried out [on the basis of explicit criteria, of which access to or unauthorized use of classified information was the principal one]."

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EDITORIALS.

Vetoing the F.T.C.

It is "open season" on the Federal Trade Commission, observed one Congressman three weeks ago, and "the smell of blood" is in the air. From Exxon to the local undertaker, business has ganged up on the commission, and the hapless consumer—already battered by a string of Congressional setbacks—will soon lose one of his few vigorous protectors (see editorial, "Getting the F.T.C.," *The Nation*, October 13). The consumer lobby is the weakest it has been in years, and the Carter Administration, its usual legislative ineptitude compounded by the Iranian crisis, has been unable to stop what one Congressman, who is no F.T.C. partisan, called "a frenzied and foolish crippling" of the commission. Ironically, just a few weeks ago, the Carter Administration's Regulatory Council praised the F.T.C. as one of only three agencies that really analyze and understand the costs and benefits of their actions.

Despite a heavy Democratic majority in both houses of Congress and a President originally praised by Ralph Nader as the consumer's friend, business has never been stronger nor the labor-consumer coalition feebler. Because of its broad mandate to go after unfair practices throughout the economy, the F.T.C. affects more interest groups in the country than any other agency. These interests have enlisted some of Washington's most puissant lobbyists to gut the agency. More than half the agency's investigations are under fire and all may be affected.

Funerals. Almost two million people arrange funerals every year and spend about $2,400 per funeral on the average, making it the third most expensive consumer purchase after a house and car. The abuses are notorious and well documented. Funeral directors pressure bereaved families into buying funerals they can't afford by refusing to quote itemized prices and giving only a lump sum; they sometimes purvey false information about the law on such matters as embalming, and hinder consumers or competitors from providing alternate funeral arrangements. After a six-year

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study, the commission proposed a trade-regulation rule requiring itemized price disclosure and forbidding misrepresentation and other unfair practices. The consumer savings on embalming alone are estimated to be many millions, and the rule could ultimately result in a savings of $1.5 billion. But because there are so many funeral directors in every Congressional district, their political clout is enormous—and so the House voted to kill the F.T.C. rule.

Insurance. Insurance is supposed to be regulated by the states, but as Senator Howard Metzenbaum of Ohio, supported by numerous Federal studies, has shown, they do a poor job of it. Pursuant to its specific authority to study economic problems, and urged on by various Congressional committees and state officials, the commission issued a report on the cost-disclosure problem in life insurance. The industry didn't come out too well, so Senator Howard Cannon, chairman of the Commerce, Science and Transportation Committee, got the committee to deny the commission the authority even to make studies of the insurance industry.

Children's TV Advertising. Consumer and parent groups have long been dismayed by television advertising aimed at young children that pushes highly sugared cereals. The commission has been studying the issue, and the cereal, advertising, television and other affected industries don't like that. And so, in the International Year of the Child, the Senate commerce committee voted to effectively halt the commission's efforts.

Standards and Certifications. Many private groups set product standards and issue certifications relating to design, safety and performance. These groups have enormous power and there is evidence that some use this power anticompetitively. The F.T.C. is trying to open up the standard-setting procedures, at a possible cost saving to consumers of billions of dollars in hospital, energy and construction costs. The commerce committee killed this F.T.C. action as well.

Agricultural Co-Ops. Agricultural co-ops were given a limited exemption from the antitrust laws, but there are indications that many of these co-ops—often aggregations of huge agribusiness corporations—have gone beyond the exemption. Two years ago the F.T.C. charged that Sunkist Growers controlled 75 percent of the production and marketing of Western lemons and oranges and was engaged in anticompetitive practices. In an unprecedented interference with an ongoing enforcement proceeding, an interference condemned by numerous legal experts, the House voted 245 to 139 to kill the F.T.C. action.

Professionals. There are indications that when the F.T.C. legislation comes to the Senate floor, more special interests will take their licks through amendments blocking the F.T.C.'s activity against them introduced by a neighborly Senator. For example, Republican Senator James McClure has already announced that he will try to block the commission from moving against doctors, lawyers or other professionals regulated by (often ineffective) state laws.

Legislative Veto. Perhaps most far-reaching is the provision passed by the House that would allow either chamber sixty days to veto a commission action affecting an entire industry, subject to reversal by the other chamber within thirty days. The provision is of dubious constitutionality and unprecedented. Although the Senate previously has refused to ratify such a measure, which has been passed three times by the House already, this year it might go along. (See Robert Reich, "Politicizing the Fourth Branch," *The Nation*, September 15.)

These proposed restrictions on the commission—and there are many more—relate largely to the F.T.C.'s consumer-protection responsibilities. Industry lobbyists have gone after the F.T.C.'s antitrust jurisdiction as well. In the last few years, the Justice Department's antitrust activities have been sluggish and uninspired. It has concentrated on conventional price-fixing cases, and even these have languished. The commission, however, has innovatively moved in a variety of areas against oil companies, cereal manufacturers, Du Pont, the banking industry, dominant outboard motor manufacturers and others. Lobbyists for these industries cajoled Alabama Senator Howell Heflin into introducing legislation that would effectively kill all these proceedings. A part of Heflin's staff memorandum supporting his proposal was lifted verbatim from a brief filed a few years ago by the Washington lawyers representing General Mills, a defendant in the F.T.C. cereal case. Apart from direct interference with ongoing litigation, only one day of hearings was held on this proposal. This proved too much for the commerce committee's Republicans, of all people—including Senator Barry Goldwater—who announced they would unanimously vote against the Heflin proposal, and it was shelved. It will probably re-emerge in a few months.

The attack against the F.T.C. is obviously only the first of many; other vigorous agencies such as the Securities and Exchange Commission are almost certainly next. Consumers are ravaged by inflation, abused by the oil companies, soon to be gouged even more by oil-price decontrol, chiseled by many small-business men who are themselves hurt by inflation; they need more protection than ever. But business is in the driver's seat, and it looks as if the rest of us will be taken for a ride.

Asset Grab

In the last few months we have all learned that yes, Virginia, there is a Chase Manhattan Bank, a David Rockefeller, a Henry Kissinger and a John J. McCloy. They do have unfettered access to the President. They do inform him of their wishes. When their judgment on a truly pivotal issue collides with that of the State Department and the President's own advisers, they do prevail.

If the daily revelations about the Shah of Iran's admission to America leave anyone unpersuaded, let him reflect upon the meaning of events since President Carter froze Iranian Government assets held in the United States. The day before the President signed his executive order, the chairman of the very bank whose collapse a generation ago during the Great Depression wrecked the international monetary system—the Kredit Anstalt Bank Verein of Vienna—warned that the cur-

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rent state of world finance was "almost intolerable." He was particularly disturbed by the current interest-rate war, which has in recent months led to the ratcheting up of interest rates, as American bank chairmen struggle over international deposits.

The next day, the Iranian Government threatened to withdraw its official funds held in American banks. It appears that substantial sums were indeed withdrawn from the Chase Manhattan Bank, but most of the Iranian money was tied up in time deposits of various sorts and hence could not be immediately removed. After consulting with some Congressmen, central banks and Arabs, the President ordered the assets frozen anyway. Treasury Secretary G. William Miller described American bankers as "greatly relieved," and said that the action had been taken to protect American creditors, whose claims against Iran had been piling up. Walter Wriston, chairman of Citibank, proclaimed the decision a "first-class job." The ink on Carter's proclamation was barely dry before Citibank announced that it was applying part of the Iranian deposits it held to pay off (or "offset") loans it had made to Iran. A day later, Chase, Bankers Trust and Manufacturers Hanover followed suit.

This move was strongly criticized by some other banks. Loans to Iran are spread among a number of banks, with Chase, Citibank and Bank of America commonly agreed to have the most exposure. Iranian deposits, however, are more concentrated than the loans, with the big banks getting more than their prorated share. Banks without big Iranian deposits have nothing to offset with, and are thus left out in the cold. New York's Chemical Bank declared that the assets belonged to the United States Government, and that Chemical could therefore do nothing with them without the Government's permission. Citibank admitted not consulting Treasury but its spokesman was quoted in *The Wall Street Journal* as saying "obviously we think it's legal." *The Journal* also reported that "a Treasury Department spokesman said that Citibank 'would have to restore the funds' if the moves turned out to violate the law. But senior Treasury officials are said to favor allowing banks to exercise the right of offset if possible."

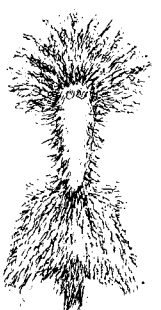
It is scarcely surprising that the Treasury officials were reported as sympathetic. The number-two ranking official at Treasury after Secretary Miller is Robert Carswell. Carswell, who has figured prominently in the Administration's handling of the crisis, and has frequently been quoted in the commercial, if not the mass-circulation, press, came to Treasury from the New York law firm of Shearman & Sterling. This just happens to be the law firm of Citibank. (The third ranking official at the Treasury Department, Under Secretary for Monetary Affairs Anthony Solomon, has been closely associated with David Rockefeller as a member of the Trilateral Commission.)

Subsequent Treasury rulings permit offsetting by U.S. banks abroad, but not at home. The Treasury claims this assures fairness to other creditors because, as Carswell expressed it, the Iranian assets held in the overseas branches of American banks are "significantly in excess" of claims against Iran (i.e., there will be plenty of money left for the others, after the banks take theirs). And at least for now, Treasury has prohibited the switching of domestic accounts to foreign branches, which it also claims protects the other creditors. Whether it does remains to be seen.

While Citibank, Chase and a handful of other lucky creditors offset one way or another, an immense legal snarl impends, involving claims between U.S. banks, the Iranian authorities and a host of third parties. Unraveling this snarl will require a determination of the legality of the offsetting practice itself, but is further complicated by a classically unresolved question of U.S. court jurisdiction over the activities of U.S.-controlled foreign corporations, especially where U.S. law conflicts with law or policy in the foreign state. While foreign states and nationals were once content simply to protest such conflict when it occurred, through diplomatic or other political action, since the landmark French case of *Fruehauf* v. *Massardy* they have also been prepared to go into their own courts. In the *Fruehauf* case, the American-controlled French corporation was successfully sued in a French court after it canceled a contract to supply equipment to a French firm that was making tractors for the People's Republic of China. The cancellation had been ordered by the U.S. Treasury under the Trading with the Enemy Act.

Disputed U.S. jurisdictional claims, already under widespread attack in antitrust and other crucial policy areas, are particularly important at the present time, given the uncertain leadership of a number of regional credit markets and monetary systems, themselves generated by a destabilized international monetary order.

But it may require as well a departure in law and public policy that the Carter Administration has largely failed to endorse: a reversal of the long-standing policy that banks have a unilateral right in such frozen asset situations to declare loans in default, and thus take funds that would ordinarily be available to all creditors in this country and apply them first to their own outstanding debts. In the past, the effective removal of banks from Government control in this area has resulted in the banks' full recovery of their claims, while other creditors have been forced to accept only partial recovery, or none at all. This situation results from a 1972 Supreme Court decision in the case of *First National City Bank v. Banco Nacional de Cuba*. The Court upheld Citibank's action in declaring a loan to Cuba in default after Castro took power, even though the Castro Government



KOREN EXHIBITION

Edward Koren, the cartoonist, whose work appears frequently in *The Nation*, *The New Yorker* and other publications, will have an exhibition at the Terry Dintenfass Gallery, 50 West 57th Street, New York City, through December 15. *Nation* readers welcome.

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continued to pay interest. Citibank had sold the collateral to the loan, which yielded it more than the principal and unpaid interest, and then applied the excess against the value of its property that had been nationalized. Thus, while other firms whose holdings had been nationalized had to wait in line to collect from a fund controlled by the Attorney General, Citibank got dollar for dollar through its double offset.

Whatever final legal settlements it may inspire, however, the impact of the Iranian asset freeze on the world monetary system is clear. No one is likely to be taken in by Administration rhetoric that the seizure of the assets represents a unique response to a special situation. Although massive currency switching will have to await the creation of new money-market instruments in other countries, and, perhaps, a decision to price oil in a basket of currencies rather than the dollar, diversification out of the dollar by Arabs and other investors will surely be accelerated. Unless managed very skillfully and very slowly, this process, and the bitter international legal battles triggered by Iranian defaults on the asset freeze, will in turn intensify international economic competition among advanced industrial states. Such a scenario would see multinational banking consortia squeezed into new alignments along more national lines and the domestic lives of many countries shaken to their foundations.

Honoring Boudin

When the talk turns to protecting the Constitution, conservatives usually cite the opinions of judicial passivists like the late Justice Felix Frankfurter, and liberals tend to mention First Amendment absolutists like the late Justice Hugo Black or, in a more innovative vein, William O. Douglas, now retired. In fact, lawyers have as much to do with protecting the Constitution as judges, although that aspect of their job is rarely commented upon by the bar or the press. Leonard Boudin, honored this past week by the Emergency Civil Liberties Committee at its annual dinner, is perhaps the pre-eminent example in our time of the lawyer-as-Constitution-protector. Rockwell Kent, Otto Nathan, Corliss Lamont, Eqbal Ahmad, Daniel Ellsberg, Judith Coplon, Paul Robeson, Benjamin Spock, Philip Berrigan and the Socialist Workers Party, to name only a few, have all been the beneficiaries of Boudin's professionalism, legal learning and courtroom ability; but more important, with his unique representation, they all helped to make better constitutional law.

These days flashy lawyers make regular headlines by lending flashy reputations to flashy clients. Leonard Boudin is a lawyer's lawyer who was taking the tough cases when it took courage to do so and the probable reward was to put one's practice at risk. As a result, his chief visibility was in those Federal Bureau of Investigation dossiers which he has done so much to place in the public domain. It is worth noting that the so-called Old Left, the convenient whipping boy of the New Left and the neoconservatives alike (not to mention the good old reactionaries), gave us a man who might well be the ablest constitutional lawyer in the land.

The Hill Tracts

The Bangladesh armed forces are waging a brutal secret war against the ethnic minorities, primarily the Buddhist Chakma tribe, who inhabit the rugged Chittagong Hill Tracts. The tribal resistance movement, known as the Shanti Bahini (Peace Force), first took its case to the world in a statement published last year in the Bombay *Economic and Political Weekly*. The statement charged that the entire district had been turned into a military camp; that beatings, rapes and summary executions at the hands of the army were common, and that in some places the population had been herded into "model villages" reminiscent of Vietnam's strategic hamlets.

The Shanti Bahini said that its goal was not to break away from Bangladesh but rather to restore the self-determination and regional autonomy previously enjoyed under the British, but so far the Bangladesh Government has been unwilling to negotiate. More and more Bengali settlers have moved into the area from the densely populated plains, usurping the tribal land and dominating government and commerce. There is talk of setting up export-crop plantations in the area.

The area is "off-limits" to most foreigners, but in August 1978 a correspondent from the London *Observer*, who managed to visit the Hill Tracts, corroborated the allegations of the Shanti Bahini. He reported that the Bangladesh security forces were waging a "terror campaign" which "threatens the very existence of the Buddhist minority." Citing accounts of arbitrary violence, he noted: "The only able-bodied young civilians I saw during my visit to the region were two who were being dragged, roped together, through the town bazaar at Kaptai."

Silence in the press has been matched by silence on the part of authorities in the United States. The State Department's 1979 human rights report on Bangladesh makes no mention of the war in the Hill Tracts. On the contrary, the report asserts, "there have been no indications of Government infringement of the rights of religious minorities." Whether this striking omission results from ignorance or deliberate choice is a matter for speculation.

The war in the Chittagong Hill Tracts comes at a time when Maj. Gen. Ziaur (Zia) Rahman, the current strongman of Bangladesh, is trying to polish his tarnished human rights image in the West. He ran for President in an election held in June 1978 under martial law, and this February allowed parliamentary elections. A senior Bangladesh Army officer quoted in the *Far Eastern Economic Review* candidly revealed Zia's motives: "The West, and especially the U.S. Congress, likes it if we can be called a democracy. It will make it easier for us to get aid. That is the main importance of the election." This year Bangladesh was slated to receive an estimated $1.6 billion in new aid commitments. The aid underwrites about half the Government's budget and is equivalent to almost 10 percent of the G.N.P.; it also helps to finance, train and equip Bangla-

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SECOND THOUGHTS

CAREY McWILLIAMS

Presidential elections are rapidly becoming after-the-fact ceremonial affairs in which the public rubber-stamps decisions that it has previously been induced to accept by ingenious manipulation. The early primaries, of course, gave the networks an opportunity to play up the results of a particular primary out of all relation to its inherent importance. In 1976, network news personnel flocked to New Hampshire in such numbers that they were said to constitute a third of those in attendance at political rallies. The New Hampshire primary is not really all that significant but it was made to appear almost decisive by the attention the media focused on the results. In an age in which political parties have lost much of their importance, the media to a degree define reality. The results in Iowa and New Hampshire were headlined and interpreted by the media in a way that favored Carter's candidacy. But when Senator Henry Jackson came out ahead in Massachusetts a bit later, the results were not regarded as significant, primarily because the media said they weren't.

This pre-emption of the electoral process—one might say its subversion—has of late taken a new turn. Straw votes date back a century or more in American politics, but systematic polling first became standard operating procedure about forty years ago. Now, with the decline of the parties, which television has hastened, the polls are proliferating. The fact that Presidential campaigns nowadays begin almost from the moment the newly elected President takes his oath of office has also stimulated more intensive polling. Polls make headlines, provide eager reporters with leads and entertain the public. They also function as a kind of Jimmy-the-Greek handicapping service, in the guise of social science. Just as the media define the meaning of primaries, so they interpret the results of polls in a way that shapes public perception of candidates, issues and political realities.

The latest twist is the mock-convention poll. Delegates are chosen or elected to attend these conferences or conventions, at which they are polled on the candidates. The media recently focused national attention on the Republican and Democratic straw votes in Florida. In this polling process, Presidential hopefuls campaigned furiously and pulled wires and made patronage commitments as though the results would be decisive. John Connally, for example, is said to have spent $250,000 in an attempt to outpoll Ronald Reagan at the Orlando preprimary conference. When George Bush surprisingly outpolled Howard Baker in Maine, his aides promptly distributed 10,000 copies of newspaper articles that emphasized the "significance" of his victory. And Reagan, who dismissed the Florida convention as "utterly irrelevant," was as quick to ballyhoo the fact that he had bested Connally.

Almost every day voters are told that X is ahead of Y in northern Arizona or that A is stronger among Catholic voters than B. This constant barrage of what appears to be factual information can hardly fail to influence voting attitudes when the actual primaries get under way. Some voters may conclude: why bother to vote when the polls have already determined or predetermined the outcome? Or if they vote, they may well decide to vote for Jones, who has been proclaimed the likely winner.

There are dangers in this media manipulation of the electoral process. Polls can be misleading; they are often badly reported. Constituencies have been known to send a message to the politicians through the polls, then, when they enter the polling booths, cast ballots that reflect thoughtful consideration of where their interests really lie. Questions can be rigged; alternatives ignored. In many instances, those polled simply do not have ready answers or are uncertain just what they think. In the past, they would make up their minds after they had heard the debates; today there are no real debates. Candidates prate about "leadership" and then, between meetings, consult their pollsters as to what they should say at the next stop to please the most listeners. A bandwagon effect can be easily generated by polls that often fail to reflect the true state of public opinion. Maybe the pollster has not selected the key issue or has badly phrased it. In the end, as Mervin Field pointed out in a recent Pacific News Service report, the information which intensive and repeated polling conveys becomes "a kind of power" that directly or indirectly enables those who possess it to manipulate public opinion. And too often the poll becomes a substitute for the election itself; or, stated another way, predetermines the results.

Field, who is of course an expert pollster, urges his colleagues in the profession to conduct, use and interpret polls in a more responsible way. He would have pollsters give more details about a specific poll's methodology, its questionnaire instruments and a more complete report of its findings. He concludes, quite correctly, that we need a new breed of political analysts who can interpret the results of polls with greater precision, insight and detachment. And he is on equally sound ground when he urges more detailed financial disclosure by the companies that conduct the polls.

All this is sound and timely advice and some of it may be heeded by the media and the pollsters. But for the moment the effect of the current polling and straw votes is to substitute manipulation for the kind of education, imperfect though it may have been, that once came with debates, party conventions and open discussion of major issues and candidates at the grass roots. Today, Presidential campaigns have become bereft of serious meaning and content; we are asked to make decisions on the basis of what we are told most of us think about this candidate or that issue, or what the pollsters have convinced the candidates we think or want them to say. This constitutes a politics without vision in which the blind lead the blind. Perhaps a real corrective might come if enough voters quietly decided to upset the polls and surprise the pollsters and their clients, or simply decided not to answer their questions. But this is wishful thinking. □

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(Continued From Page 614)

desh's growing armed forces.

Several foreign governments are now financing the construction of roads in the Chittagong Hill Tracts, which will facilitate troop movements. In addition, the British Government is providing $1.3 million worth of telecommunications equipment to the Bangladesh police, and eight senior British military officers are helping to set up a military staff college north of Dacca. The United States, for its part, is providing aid under the International Military Education and Training Program, which brings Bengali officers to the United States to study "management techniques" and other pertinent topics.

Officially, in the words of the U.S. Agency for International Development's 1978 budget request, "The primary U.S. objective in Bangladesh is developmental and humanitarian." However, national security adviser Zbigniew Brzezinski revealed America's strategic interest in the area when he told *The New York Times* that his famous "arc of instability" begins at Chittagong in Bangladesh. It is difficult to reconcile humanitarian statements with assistance to security forces whose main task is suppressing the ethnic minorities of the Chittagong Hill Tracts. But then in the global chess game of our national security strategists, the people of the Hill Tracts do not even count as pawns.

BETSY HARTMANN and JAMES K. BOYCE

Betsy Hartmann and James K. Boyce are currently completing a book based on their experiences in a Bangladesh village. Their study, Needless Hunger: Voices From a Bangladesh Village, *was recently published by the Institute for Food and Development Policy in San Francisco.*

ARTICLES.

THE ALIANZA'S BACK

Keeping the Caribbean Safe From Castro

ELIZABETH FARNSWORTH

The Carter Administration's new hard-line policy toward the Caribbean basin has disturbing parallels to the Alliance for Progress of the early 1960s with its emphasis on containing Cuba and its attendant anti-Communism, counterinsurgency and covert action. Policies associated with the alliance spelled tragedy for many countries of Latin America. The United States' attempts over the past twenty years to prevent another Cuban-style revolution have left a bloody trail, beginning with Lyndon Johnson's intervention in the Dominican Republic in 1965, through the covert involvement in Chile that culminated in the overthrow of Salvador Allende in 1973.

The present Administration's new strategy toward the Caribbean basin—the islands of the Caribbean Sea and Central America—is directly descended from those dangerous policies of the 1960s. Like the alliance, the new policy has counterrevolutionary, interventionist muscle clothed in reformist garb. Now, however, the aim is to prevent another Nicaragua, as well as another Cuba. U.S. policy makers pay lip service to the inevitability of change in the many nations of the Caribbean basin, where conditions of life are among the poorest in the world, but their hearts belong to the status quo.

Elizabeth Farnsworth, formerly Latin American editor for Internews, *has reported on Latin American affairs for more than fifteen years.*

There are well-intentioned people in the Administration who have lobbied for a more enlightened policy. Sometimes Secretary of State Cyrus Vance reflects their views, as he did in a talk September 27 before the New York City Foreign Policy Association, when he stressed the reformist aspects of current policy: continuing support for human rights, economic aid for Nicaragua and a recognition that "disruption within nations does not necessarily mean there is an outside hand."

But the new Caribbean policy's true coloration is deeply conservative. This is partly due to the lack of alternatives. Many of the moderates the United States would prefer to support in the region, rather than more radical groups, have been killed off or neutralized by the military regimes previous Administrations supported. Further, the mind set of Washington officialdom instinctively perceives the instability and unrest in the Caribbean basin as dangerous, rather than potentially liberating. After a fact-finding trip to the Caribbean in August, Administration trouble-shooter Philip Habib conveyed to Secretary of State Vance an important conclusion: economic and social instability in the region is creating "targets of opportunity" for Cuba.

The new policy for the Caribbean has been in the works since early this year, when it became clear the Sandinists could win in Nicaragua and a coup in Grenada led to an increased Cuban aid program there. But the full depth and breadth of the policy, its bite and aggressiveness, have only become visible since the fortuitous "discovery" of what the Administration charges are Soviet combat troops in Cuba. This pseudocrisis led to, among other things, the ascendancy of the policies of national security adviser Zbigniew Brzezinski, freeing him to pursue a long-desired "get tough" policy in the Caribbean region.

President Carter's televised October 1 speech on the Soviet troops carried implicit warnings to radical groups in the Caribbean region and laid down the broad aspects of the new policy. To offset the presence of the troops, he said, the United States would increase surveillance of Cuba; establish a permanent, full-time Caribbean Joint Task Force headquarters at Key West, Florida; expand military maneuvers in the area, and increase economic assistance. In addition, he

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said, the Administration would beef up U.S. Rapid Deployment Forces "to protect our interest and act in response to requests for help from our allies and friends." Most important, Carter portrayed Cuba as a surrogate of the Soviet Union and implied that Cuban aid to revolutionaries—and it does exist; the Cubans perceive it as a duty—would be deemed as threatening to American interests as Soviet aid.

Since that television address, a series of official documents leaked to the press have further clarified the new policy. A Presidential directive drawn up after the talk, as described by reporter Richard Burt in *The New York Times* of October 17, mandated specific actions to undercut Cuban influence in the Caribbean and discourage Cuban military involvement elsewhere in the Third World. The directive called for increased economic aid and sales of military equipment to friendly governments in the Caribbean and Central America to enable them to compete effectively with Cuba for influence. Under study now, as a result of the directive, is the option of selling "nonlethal" items, such as aircraft engines and jeeps, to the Guatemalan Government, in spite of Administration charges of human rights abuses there.

The President's policy directive echoed a memorandum drawn up at about the same time by Brzezinski and leaked in late October to Jack Anderson. As described by Anderson, the memorandum called for, among other things, propping up anti-Communist governments in this hemisphere and stepping up what Anderson called a "worldwide campaign of propaganda and political pressure" against the Russians and the Cubans. Since early October, the Administration has acted on the new policy guidelines in a series of controversial moves clearly aiming to intimidate Cuba and radical groups challenging the status quo in the region. Specifically, the Administration has:

§ Renewed flights over Cuba by the SR-71 Blackbird spy plane.

§ Increased the U.S. military presence in the Caribbean with the new Caribbean Task Force headquarters at Key West and the muscle-flexing exercises of 1,800 Marines at Guantánamo Bay. Senior officers at Guantánamo say this is only the beginning of a higher-profile U.S. defense presence in the Caribbean.

§ Begun to consult with Latin American nations on the creation of some kind of "peacekeeping force" in Latin America. More specifically, Habib, in his role as troubleshooter for the region, has been consulting with the Governments of Britain and Canada on the feasibility of forming a multinational Caribbean seaborne patrol force—a special Coast Guard-like force—to combat Cuban infiltration into Caribbean islands, which often have minimal security forces.

§ Pursued its oft-stated intention to increase aid for the area in order to, as President Carter said in his October 1 speech, "further insure the ability of troubled peoples to resist social turmoil and possible Communist domination." Last month, the Administration presented Congress with a request for approximately $100 million in aid for Central America and the Caribbean. The bulk of the funds, $75 million, is slated for Nicaragua, if a recalcitrant Congress—worried over the Sandinists' radicalism—can be brought around. In testimony before the House Foreign Affairs Committee on November 27, Viron Vaky, Assistant Secretary of State for Inter-American Affairs, warned that Congress must authorize the aid to offset the "strong flux from the Cuban and Marxist side to move the country toward Marxist rule."

The aid is aimed partly at wooing the Sandinists—encouraging them to look toward Washington and not Cuba for much-needed reconstruction funds. But most of the aid is slated for the private sector, and the Administration's principal aim here is clear: to keep the business sector alive so it can serve as a power base for non-Sandinist "moderates" in Nicaragua. The aid for Nicaragua is part of a larger request for the entire Caribbean basin, including: $5 million in new funds for Honduras and "possibly Guatemala"; $10 million to $20 million in military credit sales and military training aid for the region, and $2.4 million for development projects in the Caribbean (on top of $7.6 million already approved).

In addition, the Administration wants $5 million for the new Government in El Salvador. Policy makers have high hopes for the civilian-military junta which took power there in a coup October 15. But the junta's apparent inability even to govern, let alone initiate reforms, indicates the problems in implementing a policy based on finding "moderate" alternatives to leftist groups and guerrilla forces. The junta members, who have virtually no political base, have not been able to gain control over the various security forces in El Salvador, which continue to murder people at an ever-increasing rate. Years of military dictatorship there have left a polarized situation where the "moderates" the Ad-

DRAWINGS BY ISADORE SELTZER

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ministration favors seem to have little popular support. This was also true in Nicaragua, and it is probably true in Guatemala. This means that in the next few years there is a great likelihood of "more Nicaraguas," with revolutionary groups, aided to some extent by Cuba, fighting to take power.

There will be a compelling temptation, then, for this Administration and for its successor to act tough, perhaps even to intervene militarily, as in the Dominican Republic in 1965, to prevent another leftist victory in Latin America. But while the Administration's new Caribbean basin policy is reminiscent of the Latin American policy of the 1960s, the world, and especially Latin America, has changed greatly since then. It is difficult to envision another Dominican Republic-type invasion. It would be almost impossible to get a consensus in Latin America for such an invasion, as the Administration discovered when it tried to get Organization of American States votes for a peacekeeping force for Nicaragua. No Venezuelan Government, for example, is likely to support U.S. interventions in the Caribbean basin, which it increasingly views as a Venezuelan bailiwick. A Mexican Government would also have to publicly oppose intervention in the hemisphere if only for domestic political reasons. Also, the groups opposing U.S.-backed regimes have gained in sophistication and may, like the Sandinists, be able to forestall U.S. intervention by building ties with social democratic governments and political parties in Europe and in other Latin American countries.

Still, the temptation to intervene will be there. Many policy makers seem obsessed with the notion of a deteriorating U.S. image abroad. A combination of this perspective with unrest in the Caribbean and Central America could be explosive, leading—as it has in the past—to policy disasters and the reaffirmation of the old U.S. role as defender of the status quo in this hemisphere, however repressive and inequitable that status quo might be. □

THE HOSPITAL CHAINS

Skimming the Profits Off Health Care

PETER KOENIG

America's center-city hospitals are going broke. Mayor Edward Koch's bitterly contested plan to close four of seventeen municipally owned institutions in New York City is the most prominent example of an accelerating though long-standing trend. Charting the fates of 326 hospitals in eighteen Northeastern central cities, Dr. Alan Sagar, assistant professor of urban and health planning at Brandeis University, discovered that ninety-five of them had closed or relocated between 1937 and 1977.

But the hard times the inner-city hospitals are suffering as a result of depleted public resources represent one dark corner of the current hospital picture. The situation is much brighter in the private sector for a new breed of hospitals, the investor-owned chains. These privately owned, for-profit chains, which did not even exist fifteen years ago, grossed $10 billion last year.

The investor-owned chains do not directly benefit at the expense of inner-city hospitals. In the main, they are concentrated in suburbs and regions of the country where cities are growing. But they do profit by skimming off the "cream" of patients who are fully insured, leaving the nonprofit hospitals the rest. They thus benefit indirectly from policies that have contributed to the straitened fiscal conditions in which the inner-city hospitals now find themselves.

In the prosperous 1960s, hospitals performed a dual function: treating the seriously ill covered by health insurance, while keeping open emergency rooms and outpatient clinics for the poor who had no family doctors. Since the 1974-75 recession, however, hospitals have cut down on emergency-room and outpatient services. In the Northeastern and North Central states, these cutbacks have been forced by tightened Medicare and Medicaid eligibility requirements. Hospitals in these states have also suffered because reimbursement from state and private insurers is based on a strict accounting of their costs—in contrast to the reimbursement formulas in other parts of the country, which are based on what hospitals charge patients.

Thus, the chains have both taken care to make acquisitions in parts of the country where the hospital business is still profitable and promoted a sideline for themselves managing nonprofit hospitals, which, fearing the contagion of bankruptcy, are turning to the chains for contract-management services that supposedly will cut costs and install business-style efficiency. Actually, the chains' contract-management sideline is also part of a broader trend in medicine. In the 1960s, when times were good, doctors and manufacturers of medical technology prospered by selling care without regard to cost. Now, with times hard, operations like the investor-owned chains that purvey cut-rate care in the guise of efficiency are prospering. Since Big Business is most experienced in using economies of scale and other, even harder-nosed techniques to cut costs, the public can look for more private corporate control of health care in the 1980s. Already, for example, Big Business is buying up for-profit health maintenance organizations, fostered by the Federal Government to keep doctors' fees down.

Peter Koenig is a freelance writer.

COMING UP

"The Assassination Circus." Frank Donner casts a cold eye on current conspiratology, with the House Assassination Committee in the center ring and a sideshow of exotic personalities and bizarre theories.

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The basic debate over health care will remain the same: are profits compatible with effective and fair treatment of the ill or not? But the defenders of the entrepreneurial medical system are now businessmen and corporate P.R. types rather than individual doctors and the American Medical Association.

Investor-owned hospital chains sprang up "in the 1960s when Medicare and Medicaid brought new dollars into the industry, and made owning and operating hospitals look like a good investment," *The Wall Street Journal* reported on July 21, 1976. High interest rates curtailed construction activity, however—many of the early movers and shakers in the fledgling industry were capital-poor entrepreneurs—and the companies began looking into the possibility of selling their management skills to existing hospitals. "Fulfilling a management contract, they reasoned, wouldn't involve large capital outlays as building or buying a hospital did," *The Journal* continued, "so profits could start flowing faster."

Throughout the late 1960s and early 1970s, *Barron's* reported on April 4, 1977, as public and nonprofit hospitals got poorer, the revenues of the hospital chains grew faster than revenues in such glamour industries as computers and office machines. "As the public's patience with soaring health-care costs waxes thinner [*sic*]," *Barron's* concluded, "more community hospitals should be driven into the folds of investor-owned chains."

By 1977, thirty-five chains had developed into a major industry boasting six companies on the New York Stock Exchange, four on the American Exchange and a lobby in Washington, the Federation of American Hospitals, whose motto is "Quality Care Through the Efficiency of Private Enterprise." Today, of the 6,000 community hospitals in the United States, 4,000 are operated not-for-profit by charities, 1,000 are municipally owned and 1,000 are privately owned and run for profit. In this last category are 500 hospitals owned by doctors, many of them serving the super-rich. But the 500 largest private hospitals are run by the chains.

The chains, moreover, manage 275 other public and nonprofit hospitals under contract, and expect future growth in contract management to keep up with the 76 percent gain in revenues posted last year. The chains charge a hospital 3 to 4 percent of its gross revenues for their services. In return, they claim, they cut costs, in almost any setting, without reducing the quality of care. A review of their methods, however, suggests the chains are better at selling their claims than they are at living up to them.

In *The Road to Recovery*, published in 1976, Jack R. Anderson, chairman of Nashville-based Hospital Affiliates International Inc. (H.A.I.), the largest chain and a subsidiary of Philadelphia-based INA Corporation, an insurance company with $2 billion in annual revenues, describes management techniques he says reduce waste in hospitals. Anderson's theories are typical of the theories offered by the hospital-management industry as a whole. He notes that:

§ Since 50 percent to 60 percent of a hospital's costs are for labor, hospital management companies begin cutting there. Hospital chains employ an average of 2.5 employees per patient, compared with a minimum of 3 in public and nonprofit hospitals. But the quality of care does not suffer, Anderson claims, because the chains improve productivity—in part through good labor relations.

§ The chains use sophisticated accounting and inventory control methods. They collect all that Medicare-Medicaid, Blue Cross-Blue Shield and other insurers owe them. They pressure released patients to pay uninsured costs in full.

§ The chains make better use of a hospital's ancillary services—pharmacies, operating rooms, intensive care units, diagnostic and therapeutic services. "Ancillary services typically contribute about 90 percent of the profits of a hospital," Anderson writes. "The routine services—nursing, food management, housekeeping, dietary and the like—usually entail high overhead, and little or no profit. . . ."

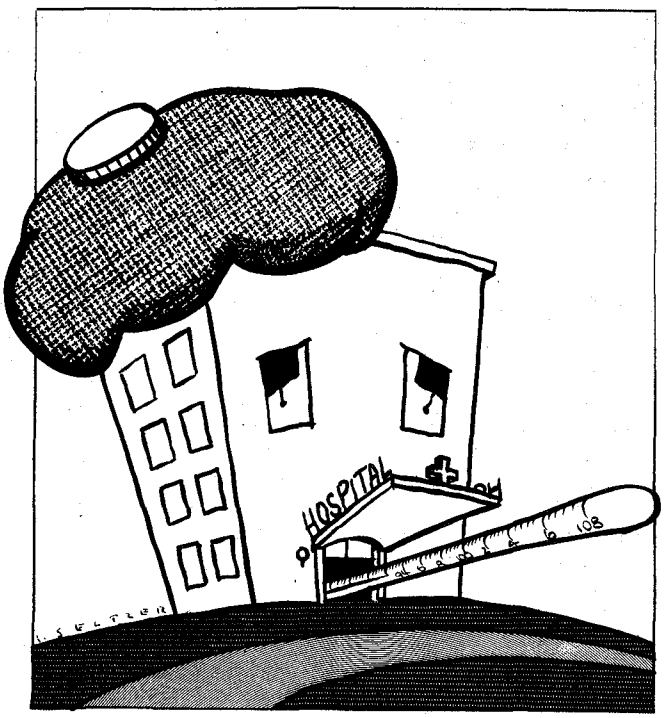
§ The chains buy in bulk, everything from insurance and computer time to ordinary supplies.

§ The chains recruit smart young graduates of business schools as well as hospital administration programs, train them and rotate them around. This guarantees that even the smallest hospitals, say in the South and Southwest—where the chains first blossomed and still do a lot of their business—get professional management.

In sum, according to Anderson and his colleagues, traditional hospital management has been wasteful and inept, but now the chains have come along with new, improved management techniques from which other hospitals can learn.

A number of administrators of public and not-for-profit hospitals would agree that "wasteful" and "inept" accurately describe much of the business practice in their hospitals. However, many of these administrators charge that managers of the chains do not give the public a true picture of their operations. Specifically, these critics charge that:

§ A lower employee-to-patient ratio does diminish hospi-



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tal care. Alexander Williams, a former H.A.I. employee who stayed on as executive director at New York City's Roosevelt Hospital after H.A.I. tried unsuccessfully to turn that hospital around financially, says: "Care at Roosevelt is not as good as it was before the cuts in staff."

§ The chains' claim of good labor relations is farcical even by their own description. Anderson, for example, writes of "a concerted attempt . . . being made on the part of hospital management to get away from job titles such as maids, janitors, custodians and so on. Instead, workers holding these positions are now known as environmental service specialists, housekeeping aides, or housekeeping specialists."

§ Bedside care suffers in hospitals where capital-intensive ancillary services are expected to make the money, and nursing is expected to break even at best.

§ What the chains really do is supplement permanent staffs with lower-paid part-time workers. These workers perform inefficiently because they don't know their way around the units to which they're assigned—and because they're poorly paid.

§ Ultimately, the chains balance a hospital's books as much by raising fees and screening out the underinsured as by cutting costs.

§ In a 1977 study for the National Health Law Program, a Los Angeles-based Nader-style group, Ruth Roemer reported that a year earlier, before Los Angeles-based National Medical Enterprises Inc. began managing Merced Community Medical Center in California, the fee for a brief emergency-room visit there was $4.50 for the doctor's care and $16 for the room. Soon after N.M.E. took over, the fee went to $26 for the doctor's care and $50 for the room. N.M.E. says it raised Merced's rates because they were lower than other hospital rates in the area. Roemer says that regardless of the reasons for the increase, the underinsured in Merced County had to look elsewhere for care. "The chains skim the full-paying patients," she says. This means that the chains' cost-cutting not only diminishes care in the hospitals they run but also in the hospitals that end up taking in the underinsured they turn away. Says David Kindig, executive director of Montefiore Hospital in New York City: "We run a deficit, not because of sloppy management, but because of the care we give to the working poor in our emergency room and outpatient clinics."

The chains' skimming takes effect at the national as well as local level. In 1976, it appeared that Roosevelt Hospital in New York City was going broke. In response to this emergency, Roosevelt's board of trustees fired their executive director and hired H.A.I. to manage the hospital for two years with an option to extend the contract a third year. The board agreed to pay H.A.I. $400,000 annually, plus $100,000 in optional incentive bonuses. In return, H.A.I. promised to get Roosevelt out of the red.

Immediately upon signing its contract with Roosevelt, H.A.I. dispatched scores of specialists to New York to review the hospital's operations. The company installed its own executive and financial directors, and fired 10 percent of Roosevelt's employees. This was the hospital's second 10 percent labor cut in three years.

In 1978, despite H.A.I.'s best efforts, Roosevelt still lost $1.2 million. Other hospital administrators in New York say this was because of the high concentration of Medicaid patients there, and because of the stringent Medicaid and Blue Cross reimbursement rates in New York. Nevertheless, H.A.I.'s solution to Roosevelt's continuing financial problem was to cut more staff. Roosevelt's board rejected this solution, and went back to banks for more credit. Then the board stepped up its pursuit of a merger with nearby St. Luke's Hospital.

H.A.I. bowed out of New York. Its management says it plans to stay out of decaying older cities in the future. A reading of the industry's trade journals suggests that H.A.I.'s competitors plan to do the same.

The strategy of the investor-owned hospital chains, then, is, first, to steer clear of troubled, urban centers altogether; second, to steer clear of underinsured sick persons in the parts of the country where chains are active, and third, to provide care they themselves admit conforms to cost-efficiency guidelines more than to the patients' welfare—arguing that the separate considerations need not conflict. This strategy has a certain logic to it in a nation that currently cannot afford its health-care system. In the absence of a political prescription for cutting costs based on a doctrine of equity, it seems inevitable that someone should come along and cut costs for profit. But the net effect is to shore up the nation's richer hospitals at the expense of its poorer ones.

Michael Bromberg, the chief lobbyist for the private chains, claims that investors will end up owning at most 25 percent of the nation's community hospitals. Others, such as William Shonick, an associate professor at the University of California at Los Angeles studying the performance of hospital chains in California, foresee a different future: "We could wake up in a few years with a few Exxons controlling half the hospitals." What does seem likely, whatever the eventual ownership breakdown, is that the hospitals the Exxons end up owning will be the hospitals placed to turn a profit, while the taxpayers get stuck with the rest. □

THE POLITICAL ECONOMY

The Knights of The Roundtable

THOMAS FERGUSON and JOEL ROGERS

In early 1978, as they fine-tuned an attack on the Consumer Protection Agency bill then pending in the House, two staff members of the Business Roundtable discussed the upcoming vote in a conversation later reported by *Fortune*:

Thomas Ferguson and Joel Rogers are members of the political science departments of the Massachusetts Institute of Technology and Princeton University, respectively.

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Henry Gonzalez of San Antonio . . . should we use Sears? We have problems with Jake Pickle on this, I'm not sure we can get him . . . OK, let's ask Sears about Gonzalez . . .

Delaney of Long Island . . . well, Delaney's a character, still he was helpful as chairman of the Rules Committee . . . Bristol-Myers is close to Delaney, let Bill Greif handle that . . .

Gaydos of Pennsylvania . . . ask Alcoa if they'll do it, John Harper was very enthusiastic about this one . . . Hatfield of Continental could do it but I hate to have to ask him . . .

Marks of Sharon, Pennsylvania . . . ask Ferguson of General Foods to call Kirby of Westinghouse about Marks . . .

Gore of Tennessee . . . Carrier Corp. and TRW . . . do we really have a chance with Gore? We really think we do? Ask Lloyd Hand of TRW . . .

Let's be careful . . . but if we haven't done our job by now . . . but we have, we've got the votes and we know it.

Combined with pressure on top Administration figures and an intensive publicity campaign of cartoons and canned editorials sent to some 4,000 newspapers, Roundtable Congressional lobbying against the proposed agency was spectacularly successful. Despite the support of a broad coalition of consumer groups, the bill was defeated overwhelmingly in the House. As *Fortune* noted, "The agency is now only a ghostly heap of rubble—a war memorial to the new firepower of business on Capitol Hill."

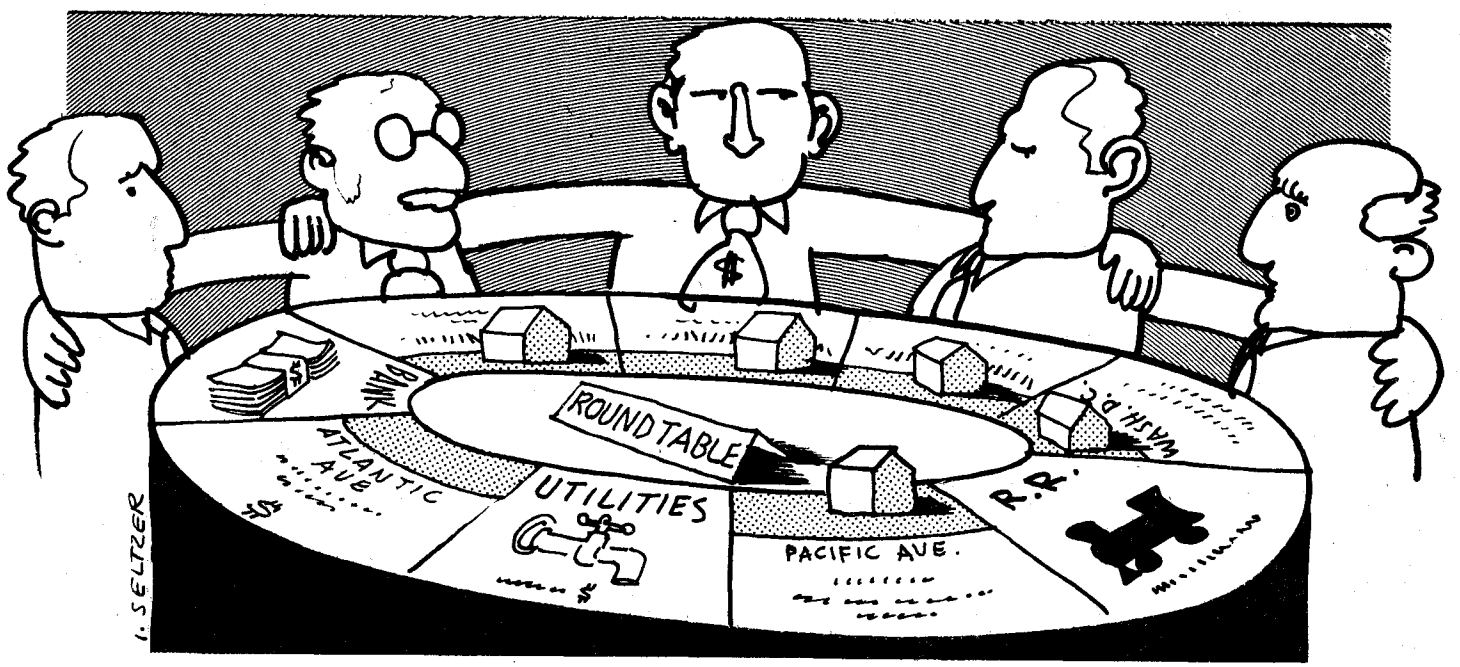
Since its formation in 1972, the Business Roundtable has emerged as the leading political organization of corporate America. Composed of the chief executive officers of some 200 of America's largest (predominantly manufacturing) firms, the Roundtable has repeatedly demonstrated its ability to lobby the Congress, advise the President, change the law and initiate legislation with equal authority, ease and success. The Roundtable is more powerful than the small-enterprise-dominated National Association of Manufacturers and United States Chamber of Commerce, more visible and broadly active than the Business Council, more capable of mounting a far-reaching program of Big Business demands than any of the flourishing single-issue groups. In the past few years it has worked in an extraordinary range of public policy areas: destroying the Labor Law Reform Bill, undermining the consumer protection agency proposal, turning back common situs picketing initiatives, rewording one of the clean air acts, designing the first Carter tax program, promoting natural gas price deregulation, blocking attempts to audit the Federal Reserve, bottling up antitrust bills in the House and Senate, even excising all references to antitrust from Carter's 1979 State of the Union Message.

In an age obsessed with the multiplication of single-issue groups, the Roundtable is distinguishing itself as a single group with multiple issues making a unified attempt to control the agenda of national legislative politics. Massive, centralized and tightly coordinated, this legislative intervention represents a sharp break with the practice of more than a generation of formal Big Business political organizations content to operate chiefly within the executive branch.

That Big Business should now need to make such a continuing, centralized intervention in the legislature is a striking indicator of how different the politics of the 1980s will be from the days of the New Deal. It suggests the great gulf between the present age and that simpler time when America dominated the world economy, energy was cheap, labor and capital were partners in industrial progress, executive authority was unquestioned and the cash flow to professionals was not yet enough to strain seriously their relations with Big Business.

The decisive factor in bringing that era to an end, and eventually inspiring formation of the Roundtable, was the great boom of the middle and late 1960s. By cutting unemployment, this unprecedented period of prosperity upset the delicate balance of power between labor and capital that had been institutionalized in the later stages of the New Deal. By sharpening competition among firms, it eroded traditional business community cohesion, and compelled the reorganization of corporate power.

Much of the conflict produced by this shifting pattern of trade union power and business response centered in the



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construction industry. With its huge size (10 percent of the G.N.P.) and cyclical growth, construction provided the most extreme example of the dangers of boom economics to business bargaining power. Not surprisingly, the industry was a major target of the Roundtable's early organizational efforts.

Even in normal times, the highly skilled, virtually preindustrial character of some work in construction confers unique advantages on unions. Through the hiring hall, the building trades control manpower allocation. Through union-administered apprenticeship programs, they control labor market entry. And the decentralized character of much of the industry has historically limited the force of industrywide bargaining, and given union locals unusual autonomy.

The boom further enhanced the strong bargaining position of the building trades. Especially after 1965, wage increases in construction ran far ahead of other industrial sectors. With demand astronomical, and job assignment controlled by the unions, building tradesmen could repeatedly strike one construction site, assign workers to another, and wait for the construction user (i.e., the firm commissioning the contractor) to put pressure on the contractor to settle on terms advantageous to the union. They could also insist on rigorous interpretations of job descriptions and jurisdictional claims, and enforce controversial work rules.

As construction costs continued their upward spiral during the late 1960s, calls for cooperation between construction users and contractors mounted in a succession of conferences and task force reports sponsored by the Chamber of Commerce and the National Association of Manufacturers, speeches by big-firm representatives such as Shell's Richard McCurdy, and even the Federal Reserve, which urged Fed banks to impose a moratorium on nonessential construction.

Despite these initiatives, chaos in the industry persisted. A striking example of disorder in the business ranks, and the event that finally goaded major users into organizing, was the construction of General Motors' notorious superautomated Vega and small truck plant in Lordstown, Ohio. Lucrative overtime at the site became a magnet for construction workers all over the Midwest, squeezing other contractors in the region. The Associated General Contractors (the nation's largest contractor association), along with regional contractor groups, complained bitterly to G.M. without result. The main regional contractor association went so far as to propose a "total boycott" of G.M. products by construction management, and attacked the company in a letter to Paul W. McCracken, the chairman of Nixon's Council of Economic Advisors.

Soon afterward, a Roundtable prototype emerged. Urged on by members of the Business Council, Roger Blough (former chairman of both the Business Council and U.S. Steel, then a partner in White & Case, the law firm long associated with U.S. Steel) announced the formation of the Construction Users Anti-Inflation Roundtable in August 1969. With its glittering membership of high-level officials from many of the largest corporations in America, including Fred Borch of General Electric, J.K. Jamieson of Exxon, Frank Milliken of Kennecott Copper, James Roche of G.M., Warren Shaver of U.S. Steel and John Oliver of Du Pont, the Users Roundtable offered promise of big-user cooperation with contractors unmatched by previous efforts.

Its influence within construction grew steadily. Over the next few years the original membership of some fifty firms more than doubled. The organizational structure of a rotating policy committee and a network of special task forces evolved, which with some modification continues in the current Roundtable. And more than fifty mini-Roundtables of local user groups were organized throughout the country.

The Users Roundtable attacked on many fronts. It pushed for regional multicontractor-multitrade bargaining to help overcome industry fragmentation. It developed an extensive information system for coordinating local user action to avoid incidents like that at Lordstown. And it furthered the politicization of the courts by mounting an extremely broad, aggressive litigation campaign directed against union power.

In its litigation efforts, the Users Roundtable often cooperated with the Labor Law Study Group, a notably unpublicized association of representatives from some fifty major firms (including A.T.&T., Bethlehem Steel, Chase, Citibank, Du Pont, Ford, General Dynamics, G.M., Humble Oil, Sears, Roebuck and U.S. Steel) formed in response to organized labor's 1965 attempt to repeal the 14b "right to work" section of the Taft-Hartley Act. Initiating or joining suits as "friends of the court," the Labor Law Study Group and Users Roundtable (and later, the Business Roundtable they became) broke new ground in labor law in more than fifty major cases. Among other things, these cases enabled companies to get injunctions in state courts when unions violate no-strike agreements, relieved an employer from liability under a contract made by a predecessor, limited First Amendment union freedoms, attacked union rights to prehire agreements and tightened the definition of (illegal) secondary picketing and boycotting. Other suits curtailed welfare and unemployment benefits for striking workers, opened union associations to antitrust action and increased international union liability for picket-line and other union-related violence.

At the local level, the Users Roundtable urged member firms to open bidding on construction projects to nonunion contractors. Local user groups funneled a number of large construction contracts to the biggest open-shop company, Brown & Root (more than doubling its billings between 1972 and 1973), experimented with personnel allocation alternatives to the union-controlled hiring hall and sponsored a series of in-house studies on administrative remedies for jurisdictional disputes, reformation of the hiring hall, elimination of costly overtime practices and development of uniform management-oriented contract language for use in regional bargaining. (This last move raises interesting questions of industry collusion, although the notoriously infirm section 20 of the Clayton Act renders successful antitrust prosecution of the Roundtable a doubtful prospect.)

On the legislative front, the Roundtable repeatedly joined

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with other business groups to beat back common situs picketing bills, which would have permitted secondary activity by unions on multi-employer construction sites. It also launched a massive attack on Federal and state Davis-Bacon acts, which bind contractors on government-funded construction projects to pay the wage prevailing in the region where the construction takes place.

In March 1973, the Roundtable announced that it would "help make possible two important studies of the construction industry by a disinterested agency possessing high professional repute." The two studies duly appeared two years later: *Open Shop Construction* by Prof. Herbert Northrup of the Wharton School of Business, and *The Davis-Bacon Act* by Armand Thieblot of the University of Maryland. Both cited the historic importance of Davis-Bacon in consolidating union power. Thieblot denounced the Federal regulation as an inefficient anachronism of New Deal politics. This impartial assessment was later endorsed by the General Accounting Office, *The New York Times* and *The Chicago Tribune*.

The Roundtable also worked up its own study of the problem, *Coming to Grips With Some Major Problems in the Construction Industry*, which concluded that although the "ultimate remedy would be the outright repeal of the Davis-Bacon Act itself," "political reality" made such repeal unlikely in the immediate future. The report advised adopting a dual strategy: try to repeal the Federal law entirely, but also attack the way the law is administered and push for repeal of the state wage-standards acts known as "little Davis-Bacons."

This proposed dual strategy has since been avidly pursued by the local user groups, operating at the state and regional level, and by the Roundtable member firms' Washington representatives working on Capitol Hill. In the last two years, more than twenty state legislatures have opened deliberations on repeal of their little Davis-Bacon regulations, repeal bills have been introduced in eleven states, passed in two (vetoed in one of those) and will come up again next year. In Congress, in addition to three different measures urging total repeal, the Roundtable sought to chip away at the Federal act by excluding from its protection a number of appropriation and procurement bills, including appropriations for the Department of Housing and Urban Development and the Department of Defense; transplanting administration of the act from the Department of Labor to the more tractable Office of Federal Procurement Policy, and amending a number of the conditions of its application, including requisite contract size and percentage of Federal funding. These efforts failed in the past session of Congress (although barely in a number of instances), but they will provide guidelines for action in the Congress about to be elected.

As a result of the Roundtable's offensive, in many areas of the country the once powerful building trades unions are reeling. The dollar volume and industry percentage of nonunionized construction has grown all through the decade. Many once exclusively union contractors are now open shop, or operate both union and nonunion companies in so-called "double-breasted" operations. The Associated Builders and Contractors (the major open-shop trade association) estimates that open-shop contractors will account for 60 percent of new construction next year, compared with the roughly 30 percent of the market they commanded at the time of the Roundtable's formation.

The metamorphosis of the Construction Users Anti-Inflation Roundtable into the Business Roundtable began with the emergence of the March Group in the early 1970s. This relatively informal gathering of chief executive officers from several top firms was prompted by sharp business anxiety over the declining position of the United States in a newly competitive world economy. Their concern was shared by prominent members of the Business Council and such Administration figures as Treasury Secretary John Connally (a former Halliburton director) and Federal Reserve Board Chairman Arthur Burns. First chaired by G.E.'s Borch, the group also attempted to achieve some consensus about business strategies in several broad areas of public policy, including taxation, consumerism, the environment and international trade.

Some two-thirds of the corporate members of the March Group were also members of the Users Roundtable, which in turn had a substantial membership overlap with the Labor Law Study Group. A high percentage of firms in all three groups were members of the Business Council. The Business Council had represented Big Business in Washington since the New Deal, working largely through direct, quiet contacts with the White House, key executive agencies and select members of Congress. But with widespread hostility to Big Business taking increasingly sharp Congressional expression, the need for a Big Business group that could aggressively and openly lobby both Congress and the public became apparent.

With some background prompting from Connally, the three new groups moved toward merger. The Labor Law Study Group affiliated with the Users Roundtable in November 1972. The March Group came on board the following May. The expanded group announced itself as the Business Roundtable. In this, its final incarnation, the Roundtable absorbed and expanded on most of the programs of all three prior organizations, while preserving the basic institutional structure of the Users Roundtable. But it also committed substantial resources to areas outside construction, litigation and Congressional lobbying.

It has, for example, made a major effort to advertise its own version of how the American economy works. At the first annual meeting of the Roundtable in June 1973, C.B. McCoy (chairman and president of Du Pont) proposed that the organization develop a "program to advance economic literacy," especially "at the secondary school level." The Roundtable has subsequently channeled its efforts through the Joint Council on Economic Education (J.C.E.E.), which has in the past been a vehicle for the educational efforts of the Committee on Economic Development (which has considerable membership overlap with the Roundtable). The J.C.E.E. has been active in forty-five states, and with

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the strong endorsement of the Roundtable is promoting the teaching of economics from kindergarten on up. The Roundtable has also urged member firms to make greater use of the press, meet informally with journalists and news commentators, and advertise their political program more extensively among their own employees, stockholders and communities. Among its other efforts to promote pro-business sentiment, the Roundtable sponsored a series of articles on the virtues of free enterprise and high worker productivity and the evils of inflation that ran first in the *Reader's Digest*, and was then sold to member firms at bulk rate for distribution to workers.

The Roundtable has also extensively promoted capital formation as a national issue. It has criticized government policies that it maintains hold down the rate of savings and investment. It has strongly backed tax bills which, like President Carter's recent bill, reduced corporate taxes. Hailing the Carter tax measure that passed last year, the chairman of the Roundtable's Taxation Task Force, G.E.'s Reginald Jones, observed that "considering the untidy nature of the democratic process, and the need to respond to the legitimate interests of so many different constituencies in our society, the Congress managed to produce an improved Federal tax structure." Jones added that "now it is important that we maintain the momentum in the next Congress, with emphasis on further reductions in corporate tax rates, measures to overcome the effects of underdepreciation, a solution to the double taxation of dividends, and retention—indeed expansion—of the tax provisions that help keep this country competitive in the battle for exports and foreign source income." Widespread recent discussion of investment tax credits, the delay in proposed abolition of foreign tax credits and the recently introduced bills sharply accelerating industrial plant depreciation schedules indicate that the Roundtable is still busy.

Not all Roundtable initiatives have been as successful. In the mid-1970s, a proposed merger of the U.S. Chamber of Commerce and the National Association of Manufacturers, which the Roundtable had supported, fell through. As stories of the Roundtable's involvement in the merger negotiations leaked to the press, smaller firms in the other two organizations complained of big-firm domination and strongly resisted the move. And within the Roundtable itself, plenty of divisions exist.

The December 1973 announcement of the formation of an Energy Users Task Force and a correlate, but deliberately distinct, Energy Suppliers Consulting Group hinted at a split between member firms that later oil price rises have exacerbated. (Indeed, at least one oil company refused for a time even to join the Roundtable.) Though the Roundtable has thus far managed to preserve a united front in public, tension between the oil companies and some Roundtable firms, notably G.E., is rising. Such tensions are sure to be compounded as the enormous cash flows of the oil companies lead to a sharp increase in their bids to take over other firms.

Foreign policy and international trade are also areas in which substantial disagreements exist among member firms. Managing the conflicts within a business community bitterly divided between free traders and protectionists poses a continuing, probably insuperable problem. In a decade marked by extensive business organization around the issue of international trade, the Roundtable has only intermittently had a task force on the subject. It endorsed the recent Multilateral Trade Negotiation ("Tokyo Round") agreement, but so many ancillary understandings concerning import limitations for specific industries were attached to that package that almost no one opposed it in its final form. The Roundtable has formulated no major public statement on such other divisive issues as trade with the Communist economic bloc and China or national defense spending. Nor will mounting interest rates ease the tensions between manufacturers and the banks that have traditionally loaned to them. This is an especially painful matter for the Roundtable, most of whose members are manufacturers, although for some of them alternative financing schemes presented by the Eurodollar and other financial markets may cushion the impact of tight money in the United States.

Whatever the extent and ultimate impact of these internal divisions, the Roundtable represents an extraordinary consolidation of corporate political power. Big Business is now capable of a degree of coordinated, disciplined intervention and guidance of policy outcomes inside the Congress that it had previously exercised only within the institutions of executive authority. This enhanced centralized power of Big Business has accrued at the direct expense of labor, which has thus far been unable to develop a comparably unified political program.

As divisions within a weakened labor movement proliferate, the politics of clientelism flourish. After a decade of defeat for the trade union movement, Lane Kirkland and other "enlightened" labor statesmen are now negotiating with key Roundtable figures for a separate peace. With this final twist, the New Deal comes full circle. In the late 1970s, as in the late 1920s, the business of America is business, and the populace cannot imagine it otherwise. □

'New Class'

(Continued From Front Cover)

They expressed confidence that if those responsible for shaping the public's perception of business were accurately informed about the benefits of a market economy, the demand for increased regulation would end. It would be difficult to exaggerate the business community's hostility to journalists and college professors. One executive described the press as "destructive and misinformed," while another bemoaned the "anti-establishment bias of a large portion of our education faculties."

David Vogel teaches at the School of Business Administration at the University of California at Berkeley. His most recent book is Lobbying the Corporation: Citizen Challenges to Business Authority *(Basic Books).*

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It is in the context of the frustration of businessmen over their inability to communicate their virtues to the American people that the conservative intelligentsia offered their contribution. While most executives had attributed the steady growth of government regulation primarily to public ignorance, writers such as Tom Bethal, Herman Kahn, Michael Novak and, most notably, Irving Kristol proposed a more sophisticated—and sinister—explanation. They argued that reporters and academics were neither misinformed nor misguided. On the contrary, they were engaged in a highly self-conscious effort to undermine the freedoms of the private sector. Nor were the problems of business confined to only two institutions. Rather, the individuals who controlled the media and higher education were part of a broader network of professionals who also dominated most foundations, research institutes and, most important, the regulatory bureaucracy.

What did all these highly educated people have in common? They were the vanguard of a "new class" committed to replace marketplace freedoms with government controls in order to increase their own power in the society. This new class was roughly similar to the new working class or technostructure that writers such as Michael Harrington and Kenneth Galbraith had earlier identified as the potential locus of opposition to corporate priorities. But while those on the left argued that the interests of this "class" were progressive, the right accused them of elitism: by supporting additional public controls over business, the "new class" threatened the continued ability of the American corporation to satisfy the economic desires of the "masses of ordinary Americans."

Notwithstanding the modest merits of this analysis, it became quite popular among businessmen. Kristol and Kahn made frequent appearances at business conferences and management seminars, while Novak's pamphlet, *The American Vision*, received wide circulation within the business community. Within a few years, the perfidies of "the new class" (or the "neofascists," as Kahn labeled them) were as familiar to many executives as their corporate balance sheets. Not since Herbert Spencer propounded the principles of Social Darwinism at Delmonico's in the late 1800s had American corporate executives proved so receptive to a new social theory.

The popularity of the new-class doctrine among businessmen is easily explained. It reassured business executives that their interests and those of the public were indeed identical: whatever tensions had developed between business and the American people were the artificial creation of an elitist minority. The new class thus represented a perfect substitute for the "Communist conspiracy," which had served business so well during the two decades following World War II, but which had since fallen out of fashion due to renewed interest in East-West trade. Indeed, there are striking similarities between the institutions now said to be dominated by the new class and those which were formerly alleged to be the center of Communist Party influence. Now business once again had a subversive "villain" against whom it could attempt to unify the American people—although this time its origins and interests were exclusively domestic.

The theory of the new class also provided businessmen with a convincing explanation for what many had long suspected but had never quite managed to articulate, namely that those who criticized them were not well-meaning, though misguided, reformers concerned about ameliorating genuine abuses. Their most paranoid fears were confirmed: what was at stake in the battle over government regulation was nothing less than the control of the American business system. Even the use of the term "class" was a deliberate one. For the American business community, the battle over government regulation had begun to assume the dimensions of a class struggle. The issue was not so much that particular government regulations were cumbersome, expensive or even unnecessary. It is rather that their cumulative effect challenged managerial prerogatives in a fundamental way—in many respects comparable to the establishment of industrial trade unions during the 1930s.

The idea of the new class also made sense to businessmen on a more personal level. It publicly exposed the pretensions of their critics, revealing them to be just as concerned with advancing their own selfish material interests as they had always accused businessmen of being. Moreover, in spite of its intellectual origins, the theory appealed to the strain of anti-intellectualism that has traditionally characterized American business culture: what were the members of the new class if not those who lacked "practical" experience in the world of commerce? And finally, notwithstanding the Jewish background of many neoconservatives, one suspects that there is an element of anti-Semitism behind at least some of the receptivity of businessmen to this ideology. It is noteworthy that those parts of American society allegedly dominated by the new class, namely social science departments at major universities, the TV networks, the Eastern-based press and Hollywood, are also among the contemporary centers of Jewish influence in the United States.

Those who sought to awaken businessmen to the threat of the new class were not merely interested in influencing business thinking. Explicit in their analysis was also a series of recommendations for countering its power. In essence, they argued that it had now become imperative for the business community to start to take ideas, and those who created and disseminated them, seriously. Businessmen could no longer afford to write off the intelligentsia. Marx had simply got it backward: in the final analysis it was the superstructure—the realm of ideas—that determined the structure, the control over the means of production.

Business was helpless to reduce the influence of the intelligentsia on public policy; their control over the means of communication in American society was too firmly entrenched. What was required instead was that their influence be made benign. A significant segment of the new class needed to be persuaded that a viable profit sector was not incompatible with their personal and social goals. Business had to meet their social critics on the latter's terms. They could no longer rely on their economic performance to maintain public loyalty. Rather, the ideas of their critics had

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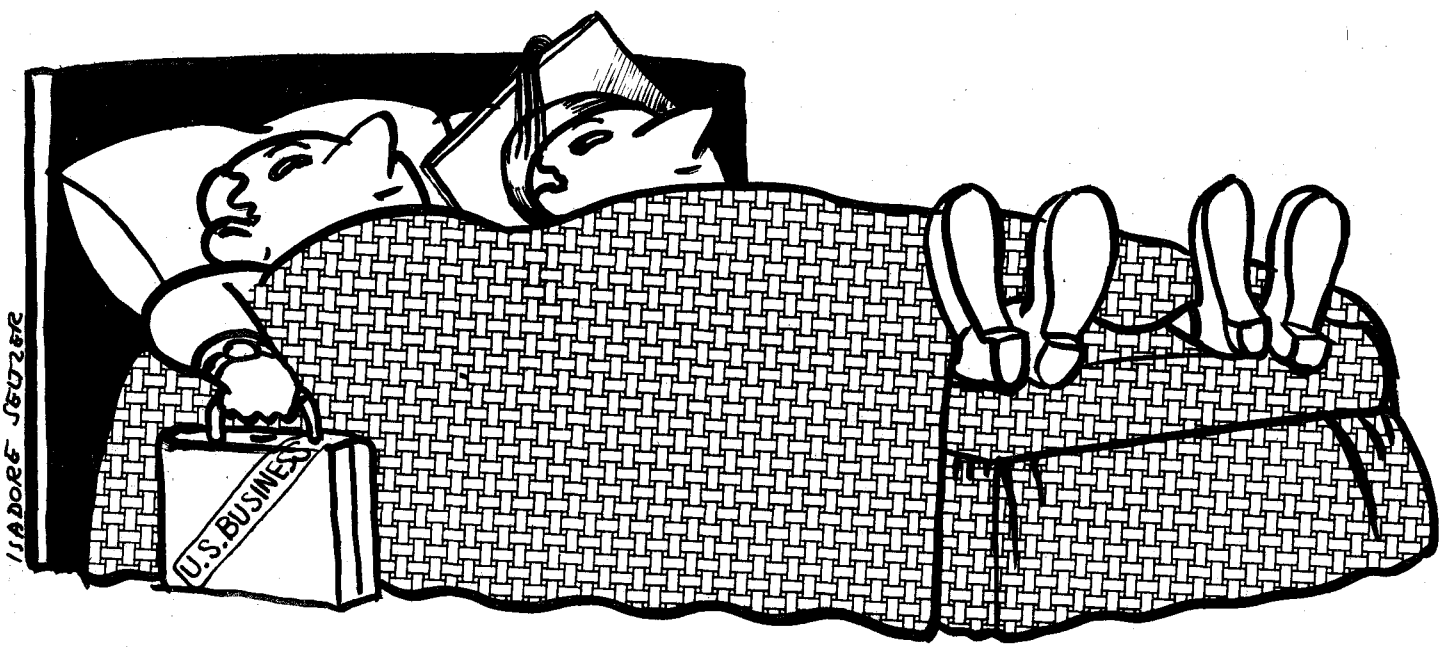
to be challenged directly. As Novak argued, "Corporate executives need a political strategy that step by step meets that of the new class. . . . They need to enlist university study groups and independent intellectual organizations of several sorts: (1) to set forth their own vision of the world, with its intellectual and moral underpinnings, and its own connections to what they are actually doing; and (2) to rebut the opposing ideologies and accusations launched by the new class."

While it would be wrong to attribute business's enthusiastic embrace of this strategy in recent years exclusively to the analysis and recommendations of conservative intellectuals, their impact has been important. For example, William Simon concludes his best-selling defense of corporate prerogatives, *A Time for Truth*, by citing Kristol's writings on the new class in support of his plea for businessmen to cease subsidizing "collectivist ideals." Writing in *The Wall Street Journal*, Kristol urged business to consult with intellectuals sympathetic to them before allocating funds for research. Shortly thereafter, an advisory committee was established to perform precisely this function—with Kristol as a member. Similarly, the Mobil Oil Corporation has allocated funds to the Hudson Institute in order to sponsor a series of position papers on various public policy issues—which would in turn be circulated to influential opinion leaders—while the International Telephone and Telegraph Corporation has subsidized a series of books on the American economy that was published by New York University Press. In fact, there have been two amply funded studies of the new-class theory itself. One, edited by B. Bruce-Briggs, was published a few months ago under the title *The New Class?*; another more extensive study, based in part on in-depth interviews, will be forthcoming from Kahn at the Hudson Institute. Both were funded by the Scaife Family Foundation.

The most visible dimension of the corporate ideological counteroffensive is the growth of advocacy advertising. These are ads designed not to sell products or influence the public image of a company ("institutional advertising") but rather to persuade the public of the merits of a particular political perspective. Corporations spent approximately $100 million on advocacy advertising in 1975, and $140 million in 1976; all estimates point to a steady expansion of expenditures in subsequent years. The most active corporation, Mobil, spent $5 million in 1975—the last year for which figures are available—more than three times its 1973 total. While more than thirty-five corporations and trade associations have launched public-advocacy campaigns, energy and utility companies are most active. The latter, along with their respective trade associations, have been devoting approximately half of their advertising budget to political persuasion. Overall, major corporate advertisers are now spending about one-third of their advertising dollars on campaigns aimed at the public in their roles as citizens rather than consumers.

These advertisements enable corporations to bypass what they regard as the liberal biases of the media's news coverage and editorializing. Unlike the campaigns to sell "free enterprise" that business sponsored in the 1950s, contemporary advocacy advertising appears to be particularly aimed at influencing the thinking of the highly educated, i.e., the new class. Mobil's regular purchase of space on the Op-Ed page of *The New York Times* is the most obvious example of this effort—particularly since the page is carefully read by editors of newspapers throughout the United States. Many politically oriented corporate advertisements are now specifically directed at audiences who hold relatively critical views of business—as any reader of *The New York Review of Books*, *The New Republic*, *Dissent* or *The Nation* can attest. Corporate sponsorship of public television programming, as well as various cultural events, is also aimed at roughly this same audience.

Corporations are also attempting to influence the ideas promulgated by the other key new-class institution, the university. A growing number of business spokesmen, including David Packard and William Simon, have begun urging corporations to politicize their contributions to higher education. Rather than making grants to private universities on the basis of their academic reputations, corporations



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should be more discriminating, they say. Instead of subsidizing their intellectual and political adversaries, they should provide funds only to those schools, departments, institutes or faculties that are sympathetic to the free enterprise system. The wisdom of this approach remains a source of controversy within the business community—a recent issue of the *Harvard Business Review* featured a debate on precisely this issue—but a 1979 survey of the attitudes of leading corporate executives toward higher education reported that more than three-quarters of the executives believed that the social sciences are "so slanted on the liberal side as to seriously impair the future objectivity and judgment of college graduates." Nearly one-third felt that restricting corporate giving to "only those universities and departments which give equal weight to conservative viewpoints" might help remedy this situation, and almost 90 percent want executives to work harder, "to get the business community's side of the story across to academics and students."

Over the last few years, about thirty-five endowed Chairs of Free Enterprise have been funded by various corporations at a wide variety of universities, including Cornell, Columbia and the University of Wisconsin. The purpose of these chairs, according to *Management Today*, is "to counter-attack the lamentable public standing of business." As the vice president for advertising and public relations at LTV Corporation noted, "Enormous influence is wielded by professors, and I think business has dropped the ball for a long time in not maintaining close relationships with campuses." In addition to establishing chairs, corporations have engaged in a variety of other efforts to counteract what the head of a Texas-based educational consulting firm describes as "the virtual monopoly that antibusiness people have had on campus for thirty years." These include executive-in-residence programs, faculty-business forums, contests for students, company-designed courses and subsidies for Students in Free Enterprise clubs. One hundred and fifty of the latter have been established in twenty states. In 1978, the Council for Financial Aid to Education reported the existence of about 100 programs linking corporations and colleges. That same year, the Association of Private Enterprise Education was established in order to "encourage the creation of private enterprise education programs in colleges and universities."

In a more subtle effort, a number of businessmen, assisted by various academics, are attempting to convince university officials and faculty that they have more in common with business than with government. Focusing on the enormous burden of complying with government regulations faced by both institutions, they are encouraging universities to emphasize their identity as a private institution—which they share with business—over their nonprofit status—which they have in common with government. Two conferences have already been held on this subject, and earlier this year a book on government regulations of universities, entitled *Bureaucrats and Brainpower*, was published by the Institute for Contemporary Studies. In his introduction, the president of I.C.S. noted that "both academics and businessmen . . . suffer a common problem in the growth of bureaucratic regulation. . . . This commonality of interest may be the most important insight to be drawn from this book."

Finally, as a direct response to the funding that public interest groups and various left-of-center scholars have received from liberal foundations and institutes—most notably the Ford Foundation and the Brookings Institution—business has moved to fund their conservative counterparts. The old, established conservative institutes, such as the Hoover Institution and the American Institute for Public Policy Research, have grown dramatically since the mid-1970s; the American Enterprise Institute currently has a staff of 125 and a budget of $7 million—equal to that of Brookings. Corporate grants have also fostered new institutes, including the Institute for Contemporary Studies, established in San Francisco in 1974, and the International Institute for Economic Research in Los Angeles, which was created in 1975.

The volume and scope of their publications, which include newsletters, reports, magazines, books and pamphlets, have become highly visible to scholars and journalists interested in public policy issues affecting business. In contrast to the traditional corporate propaganda in defense of free enterprise, which emphasizes the virtues of economic freedom in the abstract, much of the output of these institutes seeks to evaluate public policies affecting business in more pragmatic terms. Written almost exclusively by economists, their primary objective is to document the inadequacies and limitations of government regulation of business. While the quality of this output remains uneven, it is increasingly scholarly and sophisticated and has probably improved the level of public debate over the impact of government on the economy.

Although these are clearly prosperous times for conservative intellectuals, it would be misleading to exaggerate the significance of these corporate subsidies. Business cannot be held responsible for the recent conservative shift in the climate of intellectual opinion; corporations have benefited from the shift in intellectual fashions, but they neither caused nor initiated them. The principal tenets of neoconservatism were formulated and articulated long before businessmen discovered the existence of the "new class"; corporations have merely increased their visibility. Similarly, conservative economists owe their contemporary influence less to business subsidy of their research than to the increasingly apparent inadequacies of Keynesianism.

On balance, conservative economists and neoconservative social scientists have helped business more than business has helped them. Just as the writings of left intellectuals during the late 1950s and early 1960s ultimately prepared the groundwork for the concrete political gains made by left-liberal forces during the late 1960s and early 1970s, so did neoconservative writers during the late 1960s and early 1970s prefigure the revival of the political fortunes of business that took place during the mid-1970s. In this sense, the new-class theorists are right: ideas do matter. It is businessmen who are naïve in believing that they are simply another commodity to be bought and sold. □

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BOOKS & THE ARTS.

More Equal Than Others

PHILIP GREEN

WHO GETS AHEAD?: The Determinants of Economic Success in America. *By Christopher Jencks. Basic Books. 397 pp. $17.50.*

SMALL FUTURES: Children, Inequality, and the Limits of Liberal Reform. *By Richard H. deLone. Harcourt Brace Jovanovich. 258 pp. $12.95.*

It is sad to have to report that Christopher Jencks, the principal author of *Inequality* (1971), has now written (with the help of eleven collaborators) a sequel as trivial as it is misconceived. *Who Gets Ahead?* is worth looking at, indeed, only as an object lesson in what can go wrong with a social science that immerses itself in obscurantist statistical data without taking any serious pause for thought about the significance of what is being studied.

In *Inequality*, Jencks set out to discover the causes of "inequality between individuals." Two findings which seemed to flow from his data base sparked off an intense controversy. First, he argued that the differential *quality* of schooling did not seem to affect people's life chances very much; second, he concluded that the single most important determinant of people's success or failure, more important even than the nature of their schooling or of their family background or of their genetic constitution, was a residual variable he called "luck"—being the right kind of person in the right place at the right time. The latter conclusion infuriated people who had been looking for stirring conclusions about the effects of racism and poverty, not to mention of inherited wealth; but then Jencks's methodological focus on individuals, and a self-imposed decision to study only quintiles of the population sample (i.e., from top 20 percent to bottom 20 percent) precluded any findings relevant to those conditions. Overall, though, he was certainly right to emphasize that much of the time we simply can't figure out why one man "bettered" himself and another didn't.

As to the former conclusion, his simple point, much misunderstood by his critics, was the valuable suggestion that simply pouring more money into schools by way of enrichment programs, etc., was a very dubious way of trying to achieve equality of opportunity. Much of the criticism was inspired by the way in which, on a superficial reading, his analysis seemed to fit into Arthur Jensen's overtly racist argument that education couldn't improve the cognitive abilities of black people because they are genetically inferior to whites. But Jencks said no such thing (though he did waste a good deal of effort reanalyzing the heredity studies Jensen had relied on); and even though he failed to consider what schools might accomplish if we poured a lot more money into them on a selective basis to cut down average class size, his findings about the impact of schooling should have been very helpful to social reformers, had they understood him correctly. He was saying, "Look, there may be all sorts of good reasons to spend more than we do on our schools, but if we want to make Americans more equal with one another, that's an unsatisfactory and evasive way to go about it." And of course he was right: people who propose that we achieve more equality through our schools are usually people who don't have a burning desire for very much more equality.

On the other hand, in his ultimate policy proposal, Jencks's analysis became very strained, and that was an augury, it turns out, of things to come. His proposal was, in short, that the only way to redistribute income is to redistribute it directly by means of such mechanisms as wage supplements, not indirectly by such means as school reform. That much is indeed obvious, but so obvious that we are impelled to ask, why do we have to have a fine-tuned account of the "causes" of inequality in order to reach such a self-evident conclusion? Would we change our minds about the virtue of wage supplements, or a negative income tax, depending on whether, say, "luck" accounted for twice as much of the statistical variance in income as did family background or educational attainment, rather than vice versa? Surely not, unless we conclude that something about the victims of inequality—some curable condition—is responsible for their state, rather than the nature of the system in which we all live. On the one hand Jencks was discussing the causes of inequality among individuals, on the other hand what to do about it: it did not occur to him that maybe the two things have nothing to do with each other.

His new collaborative effort now demonstrates that all along, his methodological focus was attuned to causes rather than solutions. *Who Gets Ahead?* is a monstrosity of statistical irrelevancies, in which phrases such as "could be," "might imply," etc., abound; dubious corrections for imagined error inflate or deflate allegedly conclusive figures at will; other people's halfhearted conclusions about their inconclusive data are called upon when Jencks's own inconclusive data are unhelpful; single studies are culled for a "best available estimate" when other studies differ widely from them, and so on. This unreadable "analysis" leads to no conclusion more interesting than that in trying to account for "success," the second study shows "family background" and college education to be somewhat more important than did the first; a Piper Cub successfully knocked out of the air by a ground-to-air nuclear missile.

What is the purpose of all this? We already know that the children of the very rich hardly ever wind up being anything but rich; the children of the very poor usually wind up being poor, or not much better, and the children of blacks wind up being black, which doesn't pay off nearly as well as being white. Other than that, why should we care who gets ahead? The response is that we can only care about the answer to such a question if we accept, as it now appears Jencks does, the American myth of equal opportunity. For it is indeed a logical outcome of that mythology that if "you" don't get ahead, whoever you are, it must be somebody's *fault*: yours, in the eyes of conservative onlookers; some particular and improvable social institution's, in the eyes of liberal observers.

Instead of thinking mythologically,

Philip Green, a member of The Nation*'s Editorial Board, teaches government at Smith College.*

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we need to forget about looking for micro-causes and consider the economic system itself for a moment. Within that system there is a sharply graded and differentiated hierarchy of earned and unearned incomes, from the billionaire's inheritance to the handicapped person's welfare pittance. Does family background "explain" the inheritance, and "bad luck" the pittance? Of course not. What explains both the difference, and the incredible scope of the difference, is our version of the legal system of capitalism, which guarantees first, that property can be inherited, and second, that people have to do either skilled labor or skilled white-collar work in order to be paid the equivalent of a decent living.

Moreover, the stratification system is not only hierarchical but also takes the form of a steeply graded pyramid, not because that's the way people are "naturally" (on what scale?) but because that's the way the employers of labor, with some help from trade unions, have successfully chosen to distribute wages and salaries. Thus, there must always be millions of people suffering from inadequate levels of income through no fault of their own, while a relative handful benefit from undeserved levels of income through no real merit of their own. There is no distributive justice in such a society because no ethical principle can justify the nature and depth of the distinction.

All of this comes about because that is the way our version of liberal capitalism has been institutionalized. To be sure, from the point of view of capitalism itself (that is, the point of view that most of us are presented with in the course of our socialization) the additional *group* inequality which has been visited on women, and on black Americans, Native Americans, Hispanic Americans, etc., of both sexes, is unjustifiable in any sense because it has been discriminatory. But to overcome discrimination we need only eliminate its effects by adopting appropriate compensatory programs of "affirmative action"; we need not know a thing about the alleged "causes" of the discrimination, since none of them would have been of more than marginal significance in the absence of a desire to discriminate. It is typical of Jencks's irrelevancy that he deals with this source of inequality only in passing with respect to blacks, and not at all with respect to women, who in fact are complete nonpersons as far as virtually the entire literature of "equal opportunity" is concerned; thus again he reinforces the erroneous and ideologically conservative notion that it is something about "individuals" that creates inequality.

But even if and when we ever overcome group discrimination, what will be the virtue of a notion of "equal opportunity" that conjoins social mobility with a good deal of class stratification and an immense amount of economic differentiation? The effects of our perverse way of stratifying "earnings," even if the results are fair as among discrete social subgroups, must still range from the institutionalized betrayal of political democracy (the better off always have more direct access to government) to the large-scale brutality that is visited on those in the bottom strata. If exclusion from political influence and the psychic and physical results of economic marginality were visited on adults randomly rather than according to the social class or caste of their parents, the society would be somewhat more just and quite probably less brutal. But it would still be built around unnecessary and rationally indefensible levels of economic inequality, based on arbitrary gradations that create deep and destructive distance between social classes and groups.

From that perspective, *Who Gets Ahead?* is devoid of feeling (even of real content). The virtue of Richard deLone's *Small Futures* is that, even though mired in the same quicksands of "social mobility" and "equal opportunity" as are most American writers on the subject of equality, he manages to put a proper emphasis on the pains and costs of inequality, rather than on its (alleged) causes. Anyone who is not a hopeless ideologue of inequality ought to be moved by the picture he presents of the "small futures" that children may have (on the average) when they are born into the wrong corner of the social order at the wrong time.

DeLone has been subjected to the complete arsenal of criticism that *The New York Times* can bring to bear on an author who steps outside the bounds of approved moderate discourse. In his case, the heavy guns are triggered by Albert Shanker, Fred Hechinger and Diane Ravitch. Their charge is that his scathing assault on conventional liberal reformism makes the task of needed social reform that much harder by tarring all liberal social programs with the same indiscriminate brush, just as Jencks was accused of retarding needed school reform a decade ago. (Ravitch, in *The New York Times Book Review* for September 17 and November 11, also falsely accuses deLone of misrepresenting the classic empirical literature on "equal opportunity"; her sleight of hand is most visible in her treatment of Blau and Duncan's *The American Occupational Structure*, in which she parades one of their statements about *occupational* mobility before unsuspecting *Times* readers as though it constituted a refutation of deLone's correct account of their quite different conclusions about inter*class* mobility.) In fact, deLone states a much more sophisticated position very clearly:

> We cannot brand all liberal reform programs as failures without some qualification. We are not suggesting that poor children would be better off with bad education or no education at all, or that efforts to provide health care to migrant workers are a waste of time and money, or that welfare is such a mess that the best thing for the government to do is stop providing any money to poor families. Nor are we arguing that discriminatory school placements are a trivial matter or that separate can long mean equal in American society. We have no quarrel with the argument that education or health care or good parents or rich early childhood experiences are important.

However, he adds:

> The liberal tradition has not enabled the children of the poor to have anything like the same chance as the children of the rich for attaining economic security. . . . The ultimate failure of liberal reform is that in making *children* [my emphasis] the preeminent objects of reform concern, it has spawned a set of ideas and institutions the inherent contradictions of which undermine their explicit goals. . . . The persistent belief of liberal reformers has been . . . that the elimination of inequality does not depend on redistribution from rich and powerful to poor and powerless; rather that the way to change society is to change individuals.

He goes on to indict those pseudoliberal reforms that most need indictment, such as the very destructive Aid to Families with Dependent Children program and the worst aspects of the juvenile criminal "justice" system. And he points out that the emphasis on "helping" individual children, when it (predictably) eventuates in something

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less than general success, produces a backlash in the form of doctrines (such as Jensen's) that blame the individuals who've "failed" to respond properly, rather than the reformists' own belief that "equal opportunity" could be bought on the cheap. For this insight he is labeled an enemy of "individualism" and "freedom" by Ravitch.

It would be pleasant to be able to believe that only irresponsible radical critics somehow keep equality from realizing itself in the United States. But deLone is only telling the plain truth (though I think it would be fairer to many liberal reformers to insert the word "massive" before "redistribution" in the second quoted passage above). The likes of Shanker, Hechinger and Ravitch certainly defend the best "War on Poverty" programs (such as Head Start) against demands that we should do much less, and that is to their credit. But deLone asks them to defend liberal reform against the demand that we should do much more. Ravitch indeed does this—but only by misrepresenting his suggestion for an "egalitarian family policy" as though it consisted chiefly of proposals for governmental meddling in family life, instead of (as he again makes very clear) proposals for a full-employment policy, income redistribution and nondiscriminatory access to supportive services in the short run, and workplace reorganization and economic planning in the long run.

If deLone's "liberal" critics have any alternative program to offer in their own right, the hundreds of weekly columns Shanker has produced for his house organ have yet to reveal it. There are many weaknesses in deLone's treatment of the subject of "equal opportunity," but he enables us to see the main point, which Jencks once knew but now seems to have forgotten: we don't need a new "strategy" from the academy or the social welfare establishment for "understanding" or even "attacking" inequality; we need a democratic mass movement that will repudiate it. □

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Macho Madness

KEITH OPDAHL

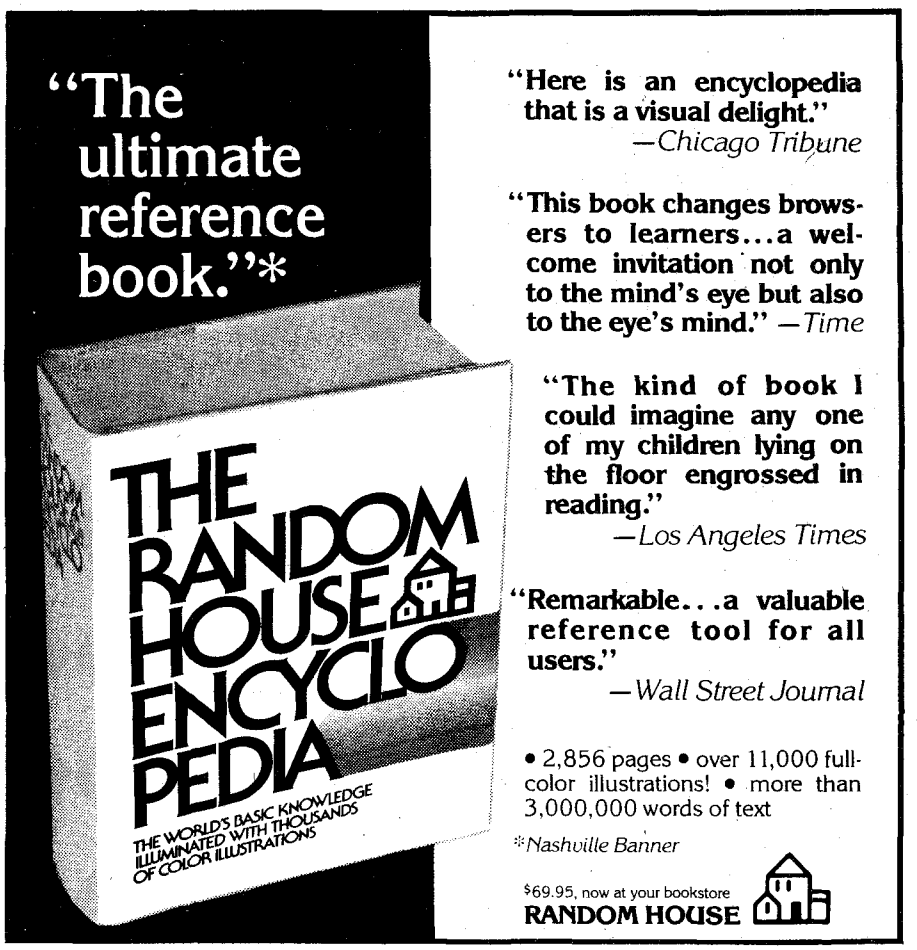
CONFESSIONS OF A LADY-KILLER. *By George Stade. W. W. Norton & Company. 379 pp. $10.95.*

Lives there a male who has not suspected a dark side to feminism? Who has not imagined beneath the need for equity undercurrents of destruction and a free-floating anger?

This crush of resentment and hatred is the subject of *Confessions of a Lady-Killer.* Like many fine writers, George Stade simply extends one of our myths; if our jokes and TV are preoccupied with a battle between the sexes, as though men and women were biological adversaries, why not imagine a male who wages war?

The result is a rich and funny first novel which combines two virtues in a way I suspect will be misunderstood. The first is a delightful voice, that of the narrator, Victor Grant: clear, witty, good-humored and (except on the subject of bossy women) tolerant. It is the voice of a nineteenth-century novelist, fond of his reader and addressing him directly. And yet beneath the voice, offering a rich counterpoint, is a broad and even apocalyptic imagination, a vision of extremes, of men and women driven by savage and grotesque conflicts. After his wife leaves him, Victor vows vengeance on the feminists who led her away, visiting in an increasing tangle of crime Ms. Jude Karnofsky, the lesbian Stevie Dickinson, Pastor Peter Brevoort of the First Church of Christ, Androgynous and finally Erika von Plaack, high mogul of feminism. What a social life! Stade lowers the man-woman struggle to a cartoon of violence

Keith Opdahl is the author of The Novels of Saul Bellow.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made believable with intense and almost hallucinated detail. We flinch, we laugh, and yet we believe these overheated and disturbing scenes.

But how are we to take them? Not too far into the novel (and you may measure your consciousness by how far you read before catching on), the reader realizes that Victor is mad, a blow-off on the macho man, and that the novel might be viewed as a feminist tract. Victor recites all the male superstitions about women. As he limps home after each encounter, his wounds bound by (whom else?) the good whore Brunhilda, he feels rather sorry for himself: his victim, granting the awful perimeters of the book, has acquitted herself rather too well. She has not been, as Victor claimed she would be, "endearingly scatterbrained."

But *is* Victor crazy? When we have sorted everything out, which is part of the fun here, I'm not sure that Stade doesn't finally tilt toward the "male" point of view. Victor Grant is an intellectual's Archie Bunker, offering up bigotry for ridicule at the same time that his likable personality serves to condone it. The novel is in reality what it seems to pretend to be, the male counterattack on feminism, albeit good-natured, ironic and well-meaning—maybe. In each of the murders, the woman offers sex, attacks Victor's genitals, fights with a fury that makes homicide self-defense and dies in a parody of sex, arching her back or tilting her head for a kiss: a sweet goodbye after debating who has it worse, men or women.

In the midst of such scenes, Stade takes the view that we must raise our kids, care for the elderly—be decent domestically. If this be chauvinism, he suggests, so be it. And indeed, one of the most interesting aspects of the book is its stress on the biological, as Victor dwells lovingly on food, bowels, sleep and exercise. Victor lives a dream of physical self-renewal; he quits smoking, jogs and eats meat and salad.

Can a good writer create a cad? Not in the first person, I would argue, for if the cad's voice is interesting, we will like him whatever he does. Confessions like *Notes From Underground* historically exploit this fact, confessing the crime and yet demanding a certain sympathy. What disturbs me about this novel is the way Victor's voice makes us accept murders that are filled with a feverish hatred of women. How it comes pouring out, this hatred, and how it works as fiction! Stade appears to take it all back by bracketing the grotesqueness of the crimes in black humor, and yet he doesn't; the novel takes on its own imaginative life, telling us that the anger between men and women is sexual and perhaps, if they don't love each other, unavoidable.

What a theme! If it makes us uncomfortable, that's too bad. The novel that carries it is excellent, and Stade does take everything back at the end, where Victor Grant sounds like a male version of the little woman stuck in the kitchen. He's treated as a sex object, he complains. He's tied to his desk, his life "a series of obligations." And what is his symbol of freedom? A lovely female jogger, "moving effortlessly in her royal blue sweatsuit, thin face cleaving the wind." This is a novel to anger some people, but it is finally, beneath the irony and the fantasy, a witty and even-tempered comment on our sexual troubles. □

FILMS

NORA SAYRE

Frail expectations can be highly rewarding. When I went to Joseph Losey's film of *Don Giovanni*, I was awash with skepticism. First, I was wary of Losey's sometimes corrective approach to classics: his 1973 *Doll's House* was saddled with lines and even short scenes that Ibsen didn't write; also, some passages were intercut, and certain crucial details were missing—hence, despite Jane Fonda's excellent performance, the impact of the whole was mangled. Second, I don't trust major film makers with Mozart. I detested Ingmar Bergman's *The Magic Flute*—the elfin drolleries, the Scandinavian stress on the diminutive, the arch feyness, the rapt and dimpling faces of children in the audience which assured us that opera was good for little folk; I was repelled by the implication that we were down among the mushrooms, playing with trolls. And when Pamina appeared in puffed sleeves, looking rather as though she had borrowed Julie Eisenhower's wedding dress, I hoped that the Friends of Mozart would picket the theater. The voices were admirable, but I would have been happier at home with a recording and my memories of productions at Glyndebourne and the Metropolitan, where wit and grandeur and mystery weren't ever sullied by winsomeness.

Meanwhile, there's much to celebrate and quite a bit to question in Losey's *Don Giovanni*—but I think that its splendors far outweigh its flaws, and that those who love the opera will want to see it. If they expect to have some reservations, they may savor its strengths all the more. Throughout, the celestial singing immerses one in the emotional depths and heights of the music—nothing dilutes one's saturation in the score, and there are none of the omissions or rewrites that I dreaded. The opening scenes can't be faulted: during the overture, dark corridors flicker with candles as solemn figures stalk among the shadows; the flurry of pursuing and recoiling bodies when Anna first confronts the Don distills the sense of panic and crisis; after the Commander falls to the Don's sword, the victor's brief trio with the victim and Leporello is immensely moving, convincing us that a life is ebbing, that someone is dying—is dead. Grief and outrage are so powerfully established in the darkness at the beginning that we're quite wonderfully startled by the switch to sunlight, and by the first glimpse of Elvira in white, pacing down a misty slope and singing through her veil about anguish and fury and longing. Loss—and a horror of deception—are emphasized in this production. No comfort is conceivable for those deprived of love or robbed by death, and Losey highlights their helpless wrath more than some other directors have done.

Magnificent moments surge through the film, as when Zerlina reveals all the implicit humor in "Batti, batti," slyly teasing Masetto to beat her when she knows that he won't—the scene has the levity of just a thong at twilight—or when the three caped figures silhouetted against the waters march slowly up the steps of Palladio's stunning sixteenth-century Italian villa, and later pluck off their masks to accuse the Don. And the climax does convey the certainty that there's no time left for him, that all his options have run out.

No opera invites intimacy, and Losey's *Don Giovanni* is at its dramatic best whenever the camera retreats or the singers do—here, distance enhances art. Of course the frame of the stage—and that deliberate gap between audience and performers—is more congenial to beings racked by Mozartian traumas than the screen is. Giant heads singing their hearts out can be daunting; in an

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opera, we want to see the entire creature, especially as it bends or swoops or writhes. Losey respects the need for space between us and the myth—the gulf that's essential to cast the spell—and he has coped tactfully with the dental problem. When Graham Greene was a movie critic, he hated close-ups of the open mouths of singers; although Greene might occasionally cringe during *Don Giovanni*, Losey has been careful not to dwell on gullets, and most of the footage isn't toothsome. And, although the film was prerecorded, most—though not quite all—of the lipsyncing is successful.

Some years ago, when I explored Palladio's La Rotunda near Vicenza with a friend, we reveled in the chance to see it in solitude, while wondering how dozens of persons—or whole crowds—might animate its symmetries; now, I'm grateful that Losey and impresario Rolf Liebermann dared to populate the halls and gardens with conspirators and peasants and avengers. The result is exciting partly because the villa isn't a rational setting for the opera—it's a risk that makes you applaud the director's nerve, which also inspired him to graft interiors and vistas from other Palladian estates onto La Rotunda.

It's true that most of the singers aren't young or beautiful, and some critics have complained about their faces and physiques—which troubled me not at all. Why shouldn't we see opera as our forebears did? Sublime voices issuing from imperfect or ample bodies add a touch of poignancy—passion and tragedy have every right to visit the unhandsome.

I've always relished the theory that the Don is Cherubino grown up, and that Papageno is a parody of both; however, this Don shares none of their sensuality. Losey has made him a chilly compulsive; the man is even more dry than cold, and it's clear that the film maker has no liking for the exploiter who gives such pain to others. The Don scores points, but there's no fire in the loins; as he catalogues Zerlina's charms, evaluating her eyes and lips and fingers, he seems more like an archivist than a lover. When he has to frolic with the peasants, even smacking rumps appears to be a chore, and he dances as though it were a duty. You can't miss Losey's intentions: he forbids us to be captivated by the Don, or to sympathize with him. But Ruggero Raimondi is gifted at grimness—especially when he's angered if circumstances or people don't obey him. He's also quite ecstatic while he's deceiving Elvira about his identity: the enthusiasm that's otherwise absent is kindled by his cruelty, which is featured at every opportunity. Manipulation and degrading others for sport are condemned, rather than promiscuity; the fact that this Don is joyless underlines his brutality. I've been privileged to see one great Don (Cesare Siepi) and some very fine ones, including George London, and though they were more beguiling and far more seductive, I value the starkness of Losey's vision.

Yet I wish that the director hadn't rinsed most of the comedy out of the opera; Leporello (José Van Dam) is earnest and reproving, a worried watchdog rather than a bawdy clown. Still, his bleak tension accentuates the destructiveness of the Don. Anna (Edda Moser) and Elvira (Kiri Te Kanawa) are compelling actresses: passion, which eludes the Don, belongs to them. Te Kanawa is expert at expressing Elvira's double bind—desiring the Don yet obsessed with punishing him—and her performance stresses both the touching and exasperating aspects of her character: one flinches when she's abused, while realizing that it would be maddening to be tailed by her—she's like a reckless Federal agent, righteous and unaccountable all at once.

Ottavio is always a difficult role to act, since he's mainly a listener who must look incredulous or appalled, and his persona only acquires a third dimension during his arias. When Kenneth Riegel's voice floats over a feathery marsh while singing "Dalla sua pace" before we see him in a boat, the loneliness of Ottavio's reflections is gently evoked. Malcolm King is a canny Masetto—not the retarded oaf that he sometimes is—and his gradual capitulation to Teresa Berganza as a maternal Zerlina is delightful. Losey has inserted one silent character: Eric Adjani as a "valet in black" who opens doors, collects props and behaves rather like a prop himself; he's probably meant to be the universal observer, but, as the camera keeps returning to his knowing little face, the actor seems far too self-conscious, and his presence is intrusive.

Losey, who was blacklisted early in the 1950s, has prefaced the film with a quote from Antonio Gramsci—"The old is dying and the new cannot be born; in this interregnum, a great variety of morbid symptoms appears"—and the

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director has said that his view of *Don Giovanni* is political. It's also subtle: the movie is sensitive to class distinctions, and the aristocrats treat their servants like footstools or playthings, but the point is never belabored. At the end, when the Don falls backward into the glass blowers' huge furnace, it seems not unreasonable that he should be consumed by the flames that fed his wealth—that his personal inferno was partially his own creation. However, politics reside more in the film maker's mind than on the screen, and Losey's refusal to allow the Don to be charming or heroic is his most political statement. This is hardly a militant *Don Giovanni*; Mozart, not Marx, presides. □

ARCHITECTURE

JANE HOLTZ KAY

They have builded him an altar, all right. In the evening dews and damps, one might add. For architect I.M. Pei and the design firm of Chermayeff and Geismar Associates have wrested a place of reverence from the wastelands of a former garbage dump near what can only be called Boston's "Pruitt Igoe." On a nine-acre Columbia Point site surrounded by Dorchester Bay, their John Fitzgerald Kennedy Library is a capsule Camelot—an abstraction of dark glass, white concrete, gray walls and gray rugs setting off the black-and-white film and exhibits documenting the thirty-fifth President and his clan.

The sixth such building in a genre that parallels the growth of the imperial Presidency, the Kennedy Library had a choice of two roles—veneration or trivialization. The first, the aspect of worship, marks the behemoth library created for Lyndon Johnson in Austin, Texas; the second, trivialization, seems the sad fate of the Roosevelt and Eisenhower libraries, where tacky collections of franchises have sprung up to feed off the tourists drawn to the neighborhood.

The object in Boston is obviously awe, and if the awe is incomplete, architecturally, it is not for lack of trying. Pei has staggered the high-rise/archives portion of the library and its lower-level exhibit area around a soaring ten-story pavilion, a light-splashed chamber offering a splendid view of sea and shore through its structural metalwork. From its upper reaches, a flag hangs down in the manner of the Montreal Expo designed by Chermayeff, among others, more than a decade ago. Off to the side, Chermayeff and Geismar have stationed their exhibition. A chronological arrangement, picturing Kennedy and national events with artful tapings, photos and captions all in a circle of wall mountings, surrounds a glass case that holds the famous rocking chair.

Whatever one's initial skepticism about such details or about the dynastic nature of the shrine itself, it is hard not to be touched by the exhibition's contents. No one of a certain age—or perhaps no one who values social activism or an elegant turn to its phrasing—can fail to be moved by the visual ensemble and the thirty-five-minute film produced by Charles Guggenheim.

Architecturally, though, the $20.8 million building is not so evocative; or, rather, it is evocative of things other than those intended. In an era where the spacious interior skies of the omnipresent Hyatt atrium are familiar, a tall pavilion designed for "contemplation" can no longer inspire breathlessness, never mind inward-seeking. Similarly, in the aftermath of the National Air and Space Museum and other polished exhibitions or mirror-glass monoliths, the

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immaculate grooming of materials that is Pei's hallmark strikes this viewer as wanly futuristic rather than compelling.

Moreover, in any era, the library's awkward exterior forms would appear ill-sited and strangely unable to capitalize on the seaside locale. The landscaping is limp, and the building, approached supermarket-style through a parking lot, appears more like a drive-in than the ship that Pei speaks of in his moments of poetry, or the sculpture or monument that its aloof stance implies.

Then, too, there is the edgy sense that this is a building whose architecture belies its rationale. Built privately but supported publicly, such libraries justify their financial backing with an intellectual mission. Scholars are intended to use a collection that is supported by the National Archives. At the same time, the welter of paperwork hoarded in such multiplying structures has dismayed many of them. (Biographer Leon Edel wondered recently if they were not counterproductive. "Entire libraries have been created for each of our recent Presidents," he observed. "Can a biographer afford to spend his life wading through such masses of papers, Himalayas of photographs, microfilms, kinescopes and still emerge, if not suffocated, with any sense of a face or a personality?") Presumably, such ivy-covered issues didn't dismay the Kennedys any more than they do Richard Nixon, who is now assembling his own archives. Visually or architecturally, study appears as much an afterthought in this sanctum sanctorum as it would in the Taj Mahal.

The special irony of the Kennedy Library undertaking, however, is that all this deification has such mass appeal. Didn't someone say heroes were dead? Haven't we heard that heroic architecture has likewise been buried? Obviously, no one told the crowds overflowing the library parking lot even on weekdays, nor did they inform Pei, who has busied himself with aristocratic gems like the National Gallery in Washington, D.C. or Boston's own ill-fated John Hancock high-rise.

Not to say that Pei didn't have quite a job finding a place for a monument in Boston's dense and delightfully non-monumental environs. Cambridge, the Kennedys' first choice, rejected Pei's early pyramid design near the already densely packed Harvard Square. Boston proper offered sites but no real platform for a monument. Indeed, it is hard to find a single place in Boston unlovely or remote enough to allow a Sermon-on-the-Mount structure. Given eighteen years or so, the Kennedy Library found one. But the laugh was clearly on the ostracizers. If nothing else, the library has turned the grim outskirts of the city into hot property. Facing the two-thirds-empty housing project at Columbia Point, the library has made the city recognize that this site is all too splendid for the poor. It would be still another irony of public housing if the rich moved into the isolation that doomed the 1951 project for the less affluent.

Unfortunately, the architecture that has attracted this attention has done so in a way destructive to the possibility of ever creating a genuinely car-free urban—or graceful suburban—enclave in these parts. In an era of pedestrianization, of urban compactness in the name of economic and ecological sense, Pei's concoction is a figment of the 1950s and 1960s. It is nothing more than a mall encased by cars, a windswept energy consumer wrapped in a pseudoscientific shell whose structure is dictated only by personal esthetics.

In this antiheroic era, it must indeed seem to other would-be artist/architects that Pei gets all the "dream jobs," the rare chances to ignore or secure his own environment and pursue his "art." A lucky man, this *architecte du roi*.

"Do you have a great dream of something you'd like to build?" an interviewer from *Art News* once asked Pei. "Yes, I'd like to design an ocean steamer," he replied. "I wanted to do the *Queen Mary* in the worst way. I'm not at all interested in designing airplanes, to tell you the truth," he went on, "because the scientific requirements are too strong. But the *Queen Mary* is a way of life." To be sure, the Kennedy Library didn't allow clear steering all the way, but where else in these stormy days could a formalistic architect dictate a way of life for Camelot? □

TELEVISION

RICHARD LINGEMAN

The widely favorable reception accorded the dramatizations of the John Cheever stories on the Public Broadcasting System should encourage more mining of the Comstock Lode of American literature by PBS—at least I hope it does. The Cheever works were handsomely mounted, spirited, and done without the self-conscious solemnity that marked the previous effort in this area, the series called *The American Short Story*.

In the teleplays, Shady Hill, the fictional suburb in which the three stories are set, is made a contemporary Shady Hill rather than Cheever's Shady Hill which, he confesses in the introduction to *The Stories of John Cheever*, is inhabited by people who belong to "a long-lost world," who are "truly nostalgic for love and happiness." Cheever's people are a bit anachronistic even in their own times: they yearn for lost standards; they are arrested in midpassage between adolescence and disaster. Their unruly ids are in conflict with the jerry-built suburban society they have constructed in Shady Hill—a society planted like a Roman fort in the middle of alien natives, ringed round by "developments" inhabited by the middle class, with whom the Cheever people, ten years out of Princeton, Vassar or Miss Porter's, associate as little as possible. A WASP enclave, then, with a few newly wealthy ringers; a pleasant

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place of golden afternoon sunlight glinting on green lawns bedewed by lazily arcing sprinklers. What Cheever calls the "dated paraphernalia" of these people's lives is not obtrusive; he is more a magic realist than a social realist. Still, the characters' internal coherence becomes unstuck when they are changed to make their behavior contemporary.

This problem was most evident in A.R. Gurney Jr.'s adaptation of "O Youth and Beauty!" One example: early on, in a scene establishing that Cash and Louise Bentley have money problems, Gurney has one of their children complain that his parents are emitting "mixed signals," a phrase he picked up from his teacher, meaning they live as though they were hard up yet they keep up an affluent front. Louise protests, "We're upper-middle class."

None of this is in Cheever. The Bentleys in the story are hard up and belong to the country club "even though they could not afford it." But the couple are well liked in Shady Hill and go to all the parties. At the end of these revels, Cash does his popular imitation of a high hurdler, using the living-room furniture. It is a compulsion with him, an attempt to relive his athletic triumphs at Princeton and, more deeply, to magically recover some lost, essential prowess. The implications of Cash's hopeless obsession with the past are followed in the television version; the dramatization is faithful to his character. But Louise, the loyal, long-suffering wife of the story, is updated. In the story, she is a rather passive character, a pre-Friedan suburban wife, ca. 1950, who manages frugally and wakes up in the night crying, "I can't afford veal chops." But she is reluctant to take a job to improve the family's fortunes.

In Gurney's version, however, Louise does take a job in the local boutique and is successful. By implication, her working undercuts Cash's tottering male self-esteem. As in the Cheever story, Louise kills Cash at the end, while firing the starting pistol to set him off on another manic hurdle race: "The pistol went off and Louise got him in midair. She shot him dead." Gurney writes preliminary and epilogue scenes that imply this was no accident. Indeed, in the teleplay, Cash seems to be arranging his hara-kiri by high hurdles, and Louise is in complicity with him; it is a kind of subconscious suicide pact. And so the adapter has filled out Cheever's spare, suggestive, allusive, shocking story with the addition of the kind of Problem—working wife—that we read about on the women's pages, plus some subtle Strindbergian death struggle between husband and wife. It is as though an academic realistic painter were handed a Picasso sketch, and filled it out with other elements to make a balanced composition. Cheever's subtlety is drowned in explanation. Thanks in part to the fine performances of Michael Murphy and Kathryn Walker as Cash and Louise, the emotional impact of the story is not lost, but one could have wished that it had not been forced into such a conventional dramatic structure.

In contrast, Wendy Wasserman's adaptation of "The Sorrows of Gin" struck me as tactful, unobtrusive and helpful. Where Wasserman did add new lines, they served to underscore the careless cruelty of this *House and Garden* couple with the shantytown lives (Edward Hermann and Sigourney Weaver as Kip and Marcia Lawton were cast closely to type, and added dimension to the roles). Wasserman invented from whole cloth the hints of the past that the couple nostalgically longed for as they sought to cope with adulthood —their college days, an appropriate place in which to locate the memories of love, freedom and poetry of such people. What was missing from the dramatization—and perhaps impossible to put in it—is the child's eye-view Cheever uses to depict the Lawtons' lives, expressed in the little girl's vague sense of "the pitiful corruption of the adult world; how crude and frayed it was, like a piece of worn burlap, patched with stupidities and mistakes. . . ."

The third story, "The Five Forty-Eight," tells of still another retribution, this time upon a family martinet and snob named John Blake, who practices a kind of *droit du seigneur* on his secretaries, then fires them if they give him trouble, while torturing his long-suffering wife (Cheever writes better about men than women, and his wives tend to be long-suffering though passive anchors of sanity and decency). Blake's comeuppance occurs after he has seduced a pathetic young woman fresh from a mental breakdown, then fires her. She haunts him, follows him on his commuter train, a gun in her purse, and when they get off at Shady Hill, marches him to a lonely place and makes him grovel.

Terrence McNally's adaptation adds nothing objectionable—mainly scenes of explication, but he has smoothed out the story a good deal, losing such images as the girl's mad handwriting "like claw marks," which unsettles Blake in the story and adds an underlying premonition of menace. In the television version, Blake comments on it, but then explicitly fires the girl because she has spent time in the madhouse; something darker is transformed into a plot explanation. In partial compensation, this is the most visually realized of the three; director James Ivory's camera frames some effective pictorial images.

But too many of Cheever's words have been lost; pictures cannot do everything. Specifically, McNally cut the young woman's speech about her dreams of "picnics and heaven and the brotherhood of man, and . . . castles in the moonlight and a river with willow trees along the edge of it. . . ." The speech shows that out of the depths of her breakdown the young woman has emerged with a far deeper sensitivity to life than the affectless Blake; it includes, too, a vision of the real love between a man and a woman. The other omission is in the final scene when the girl has Blake groveling before her at gunpoint. In the story, she speaks of finding inside herself a capacity for kindness; in the television version, she simply places her foot on Blake's head, says, "I feel better" (the words are Cheever's) and walks off. So we have this woman's retribution but not her depths, or her saving grace, and without these qualities her character—and the story—is incomplete. Again, so good were the performances—Laurence Luckenbill as Blake, reptilian, but a pitiable shattered figure at the end, and Mary Beth Hurt as the young woman, poignant and ardent—that one's complaint about a few dropped lines seems pedantic. But I don't think it is. I think the adapter owed us those words—and owed them to Cheever, as well. □

THEATER

HAROLD CLURMAN

Diverse elements have gone into the making of Tom Stoppard's *Night and Day* (Anta Theatre) but they do not give it real coherence.

Its "novelty" is that it is the first ex-

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ample in its author's work of more or less traditionally plotted drama. There still remain characteristic passages of improvisational playfulness and fancy. In this case they relate to Ruth Carson's (the "leading lady's") inner monologue and daydreams. For example, she imagines a consummated flirtation with a youth she has almost just met, attracted to him by his good looks and idealism. Married to a man who owns a mine guarded by the dictator of an African country and threatened by a leftist rebellion, Ruth Carson is given the opportunity to say many amusing things (often only in her mind) about herself, this central situation and the various personages involved in it.

She despises the popular press and the reporters who feed it too often indiscriminately with trivia and grave news. They do so not because they are genuinely concerned with either but out of a display of vanity in hunting down headline-making stories. This is one of the play's points, the rebuttal to which, delivered by a cockney news photographer, is that the information provided by the press, despite all the skulduggery which may be involved in unearthing it, is invaluable to a democracy: "It brings light." That, if anything, is the play's thesis. In itself, it may be valid, but it is not dramatized; it is merely stated.

In the same way, Ruth Carson, though she serves as a critic of the press—which is, by the way, rarely "free," because it is usually in the possession of millionaires who protect their own interests in economic, political and social confrontations—is more a decorative and entertaining adjunct to the play than crucial to it.

Much of the play's argument revolves around the two news gatherers, a seasoned and cynical reporter and a younger one, who is committed to honest principles of journalism, government and social justice. In addition to these, we are given a portrait of the African dictator, who is financed by certain British capitalists and thus protects Mr. Carson's mine, which would be confiscated by the rebels, were they successful.

These various strands are patched together rather than made integral to a dramatically convincing whole. What keeps the play going is Stoppard's elegantly fluent and sometimes sparkling writing. This is especially true because Mrs. Carson is played by Maggie Smith, the most skillful actress in all English-speaking comedy. Easy and always on target, she is above all endowed with a capacity to *think* funny. The most casual lines she utters, the least gesture she makes take on humorous content. She is the body of wit. A slight nasality of delivery adds to a tone of subtle derision which creates a "distance" between herself and those she addresses. She has had much better roles (in this play, I repeat, her character stands somewhat apart from the whole) but she is always a delight to see and listen to.

She is supported by and is a support to a generally good cast: Peter Evans, Paul Hecht, Dwight Schultz, Clarence Williams and others, ably directed by Peter Wood.

I take note of Nigel Williams's *Class Enemy* (Players Theatre: 115 MacDougal Street) because it is an example of the vehement vituperation which an important segment of British playwrights levels against their society. The angry young men of the late 1950s were mostly middle-class dissidents, but the lower and largely unemployed working-class

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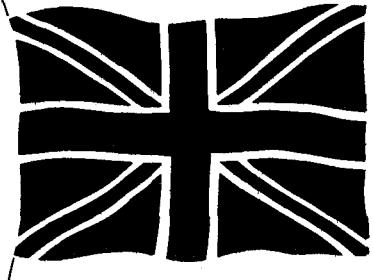

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characters in many British plays of more recent date are far angrier than the former "angries": they are in fact rabid.

In *Class Enemy*, a group of adolescents in a "state comprehensive [high] school" in one of the poorest parts of South London waits for a teacher to arrive. But there is no teacher and we assume that most of the other classrooms are equally deprived. It is unclear (though it may be clear to an English audience) why no teacher is available, though we do see a "master." But such factual considerations do not prevent our understanding the play.

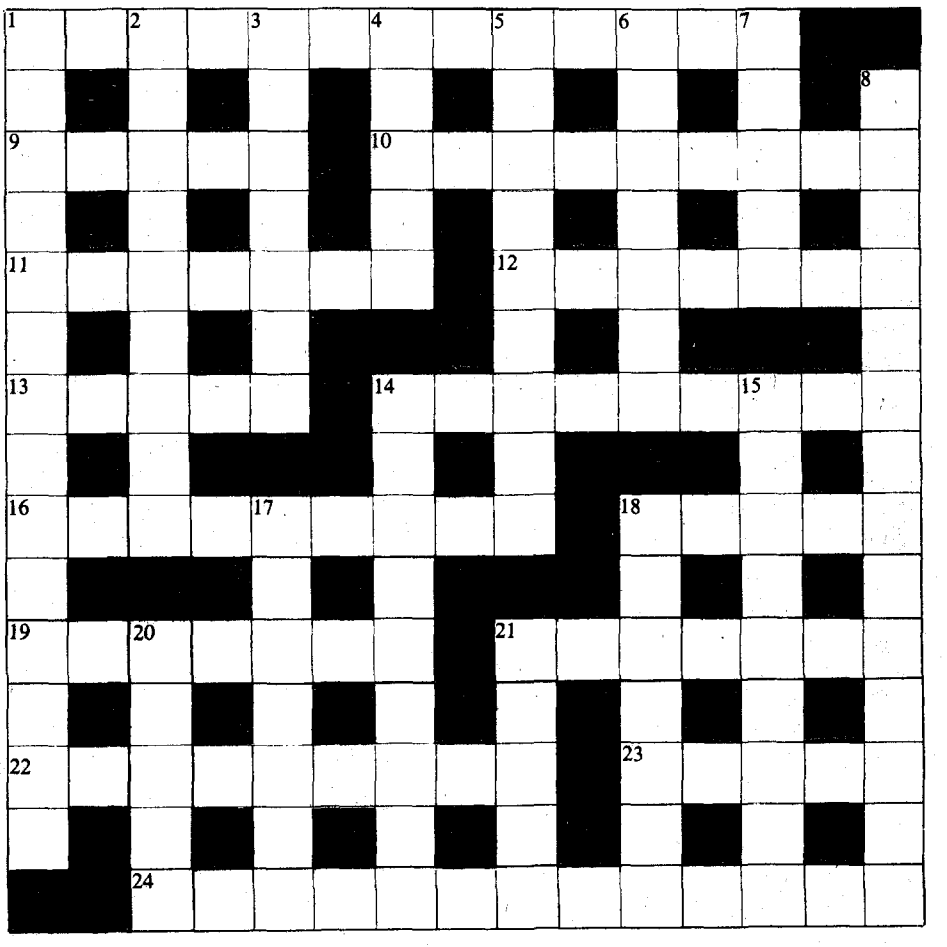
What is communicated with shocking effect is the sense of abandonment that the youngsters suffer, their bewilderment and despair, and finally the all-encompassing hatred which is expressed by the cleverest of them. The constant foul epithets aimed by the boys not only at their environment at large but also at one another are the outward sign of their self-humiliation and the degradation they have succumbed to, and in the venting of which they find a wretched relief. The potential for a decent humanity peeps through at climactic moments, but the overall impression, even when comic, is frightening.

But it is neither to praise the play for its merits nor to censure it for its faults that I speak of it here. It is representative of what English audiences, at least in such institutions as the state-subsidized Royal Court Theatre, respond to—from a sense of recognition—with dogged, sometimes delighted, approval. The prevailing mood now, in the plays outside the West End (London's Broadway), is sadomasochistic—sadistic among the poor, masochistic among the better off. Such stage fare leaves no doubt that England is not only economically but spiritually in deep trouble. Speaking critically, I have much more to say on the subject, but I shall come back to it on another occasion. What I would emphasize now is that I consider it a good sign that these black moods have for some years been loudly voiced in the English theater. Very little of any sort of social reaction is nowadays manifested on *our* stage.

There are several good performances in *Class Enemy*—those of Lonny Price, Lance Davis and Bruce Wall in particular. But some of these actors must learn how to achieve relaxation within intensity: physical exertion is not the same as fullness of emotion. □

Crossword Puzzle No. 1800

FRANK W. LEWIS



ACROSS

1 If a singer uses the right key, he might not have to act so spontaneously. (5,4,4)
9 Fiber is let out of it. (5)
10 A game of course has 500 in to measure what might be a birdie. (9)
11 Such diplomacy was made to go, but an entirely different version was the *Panay*. (7)
12 Might such lettuce be considered hazardous? (7)
13 This should show strength of spirit. (5)
14 With just one number out of order, getting to bed lately is easy, if scarcely on time. (9)
16 Rather haphazard way of a Broadway success, alternatively a young girl. (3-2-4)
18 A military hat sort of has the wrong approval. (5)
19 Brought back 5 and 4 (or 6 and 5) in the grass. (7)
21 A number in High School shortly might expect to reach them, as many do. (7)
22 You can make vanilla by getting this and shaking well, but it's rather useless. (3,2,4)
23 How Rossini's factotum (little Albert) moved? (5)
24 A hell of a price involved, if you have this. (3,5,2,3)

DOWN

1 Did they use bustles to do it, the way troops at last function? (5,2,3,4)
2 Eroding, or just celebrating? (6,3)
3 A sign of the downtrodden? (4,3)
4 A funny thing, but you can look forward to it every day! (5)
5 Well, you might find one here! (They're dillies, of a sort!) (3,6)
6 Syncopation provided when not on patrol? (3-4)
7 Style of painting found in Copenhagen, reputedly. (5)
8 Long, involved and (it is to be hoped) funny. (6-3,5)
14 Venetian type, 1492, for example. (One hopes for the best with it.) (5,4)
15 Pared when it comes up about that sort of a dangerous situation. (5,4)
17 Reputedly sweet, but never comes up to general expectations at first. (7)
18 This takes know-how, and French cooks use it. (7)
20 Used to be considered a man's man. (5)
21 City with a noisy center. (5)

SOLUTION TO PUZZLE NO. 1799

ACROSS: 1 and 5 Hold one's breath; 10 Nuclear; 11 Eastern; 12 Heart; 13 Ironsides; 14 Gable; 16 Retreats; 19 Inherits; 22 Valve; 24 New Yorker; 26 Sharp; 28 Lighten; 29 Tarrier; 30 and 31 Window-shopping. DOWN: 1 and 23 Hunt high and low; 2 Lucia; 3 Over There; 4 Earlier; 6 Rests; 7 Anecdotal; 8 Honest; 9 Retort; 15 Bandwagon; 17 Eavesdrop; 18 Leapfrog; 20 Inking; 21 Scratch; 25 Outdo; 27 Alibi.

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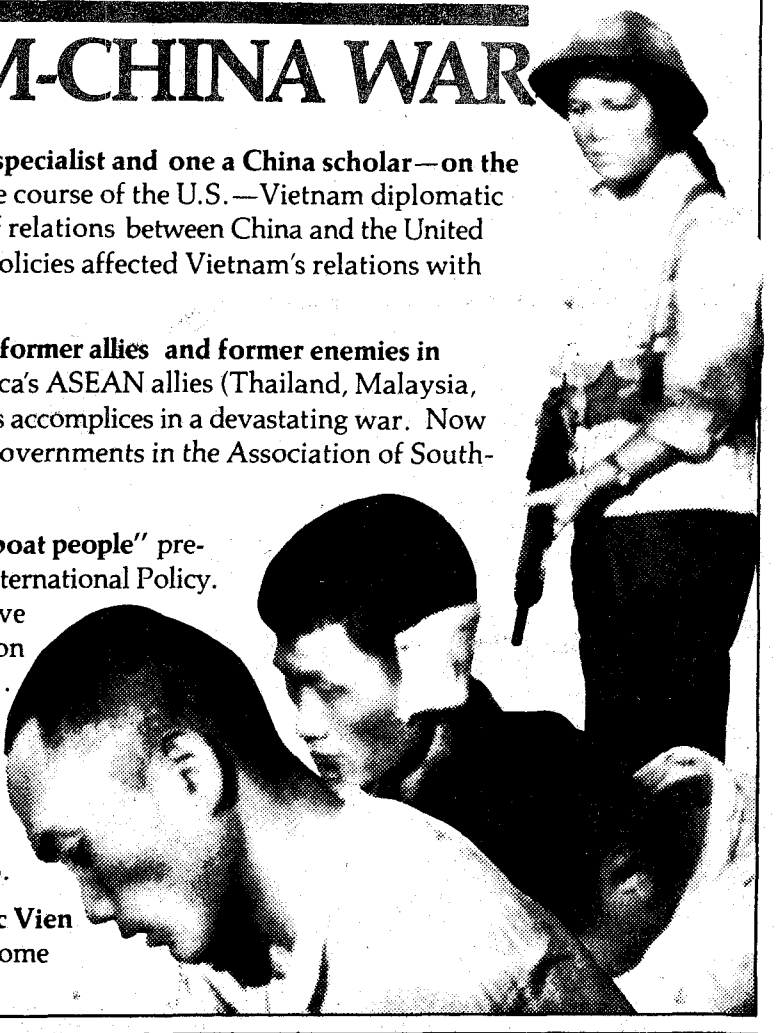
VIETNAM-CHINA WAR



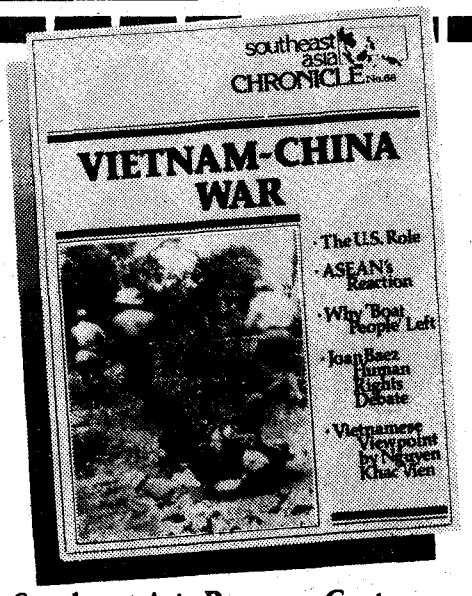
■**Two American writers—one an Indochina specialist and one a China scholar—on the years leading up to the present conflict:** the course of the U.S.—Vietnam diplomatic negotiations after 1975, the new opening of relations between China and the United States, and how Washington and Beijing's policies affected Vietnam's relations with Kampuchea.

■**An analysis of the new relationship between former allies and former enemies in Southeast Asia.** Hanoi once viewed America's ASEAN allies (Thailand, Malaysia, Indonesia, Singapore and the Philippines) as accomplices in a devastating war. Now Vietnam and China are both courting the governments in the Association of Southeast Asian Nations.

■**An examination of the plight of Vietnam's "boat people"** presented by a staffmember of the Center for International Policy. The author presents an historical perspective on Vietnam's Chinese minority and draws on recent interviews with Vietnamese refugees.

■**A debate on the current human rights situation in Vietnam presented by Joan Baez and Southeast Asia Resource Center staff.** This exchange includes an eye-witness update on a re-education camp.

■**Noted Vietnamese author Dr. Nguyen Khac Vien presents Vietnamese views** in a "Letter to Some American Friends."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VIETNAM-CHINA WAR
· The U.S. Role
· ASEAN's Reaction
· Why 'Boat People' Left
· Joan Baez, Human Rights Debate
· Vietnamese Viewpoint by Nguyen Khac Vien

Southeast Asia Resource Center
PO Box 4000-D
Berkeley, California 94704
(415) 548-2546

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